WALSIN LIHWA

2023
Sustainability Report

CONTENT

Preface

Appendix

Environment

Climate Action and Environment Management

Social

Friendly Workplace and Social Care

Governance

Sustainability Management and Value Innovation

Innovation

High-Value Transformation and Smart Manufacturing

Message from Chairman

Dear Friends,

The year 2023 witnessed supply chain reshuffling prompted by geopolitics, a great leap forward of AI, and transformation to renewable energies in response to net-zero emission, which were together driving international developments. As a corporate citizen realizing its responsibility for sustainable development management, Walsin Lihwa has incorporated sustainability into its strategy and vision implementation through corporate governance, technology applications, smart manufacturing, investment in the green energy sector, and supply chain integration. We leverage our core competencies to carry out ESG in daily operations to transform challenges into opportunities and move steadfastly towards sustainability.

Energy Transformation and Environmental Protection

Coping the challenges of climate change, we have been focusing on green energy and clean technology development including submarine cables and wind power generation to explore the possibilities of innovative technologies, and our investment in the products and services that meet the needs in energy transformation demonstrates our determination to promote a fundamental change of energy structures. Moreover, we have increased renewable energy power generation and strengthened power grid resilience to help industries effectively engage in carbon reduction for net-zero emission.

To manage climate change opportunities and risks, we have been identifying and assessing such opportunities and risks pursuant to the Task Force on Climate-Related Financial Disclosures (TCFD) framework to quantify financial impacts. For native species neighboring plant, such as the ring-necked pheasant and eastern grass owl, ecological monitoring will be conducted. Simultaneously, management of ecological risks will be achieved through the Task Force on Nature-related Financial Disclosures (TNFD) framework, which involves disclosing financial information related to nature and biodiversity. The aim is to promote coexistence with nature.

Technology Innovation and High-Value Product Development

Effective technology applications assume an important role in sustainable development promotion. Facing up to an aging population and labor shortage, our pursuit for Industry 4.0 and technological innovation by actively engaging in smart manufacturing, the Internet of Things (IOT), and big data analysis helps strengthen production efficiency and product quality.

The construction of the Yangmei Smart Manufacturing Plant utilizes advanced automated equipment and intelligent manufacturing systems, with automatic handling and storage functions, to improve per capita productivity while reducing energy consumption and production costs. Additionally, the application of intelligent optimization of production processes has further enhanced the efficiency of resource utilization.

Industry and Supply Chain Integration

Walsin Lihwa has been actively establishing a resource-based industrial chain, targeting the high-end market, providing customers with integrated solutions, and gaining a developmental edge in renewable energy and high-value products. It is moving towards goals of low carbon, circular economy, and new energy. Through our Italian subsidiary Cogne Acciai Speciali (CAS), we have recently acquired SMP, Inox, MST, and two steel rolling mills of Outokumpu. The acquisitions shall help Walsin Lihwa expand into high-growth potential markets and stay abreast with world-class ESG standards.

In 2023, the introduction of NKT's advanced submarine cable manufacturing technology and business models will play a significant role in promoting the green energy industry chain. The construction of Taiwan's first ever offshore wind power generation submarine cable manufacturing factory is of strategic importance to the overall resilience of the power grid.

Over the past few years, Walsin Lihwa has been strengthening procurement governance by supply chain resilience development to improve corporate risk resistance. In 2023, supplier exchange conferences were expanded and entitled "Carbon Reduction Alliance, Harmony, and Common Prosperity" to establish a green carbon reduction alliance with suppliers to complete scope 1 and 2 emission disclosures together with 60% of them by 2025, promote supply chain carbon management, and move towards a net-zero future.

Employee Participation, Diversity, and Inclusion

Walsin Lihwa believes diversity is one of the keys to business success and commits itself to diverse and inclusive workplace development, so that employees can fully demonstrate their unique talents and values. We look forward to international talents joining us, strengthen academia-industry cooperation, and encourage cross-domain learning to stimulate innovative thinking and cultivate future talents. Moreover, ongoing learning resources are readily available to employees to help them achieve good development in professional and technical fields. At the same time, we have been strengthening management professionalism of managers at different levels and encourage employee participation, so that everyone at Walsin Lihwa can face up to challenges to realize self-fulfillment.

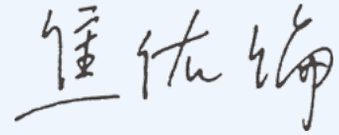
At the same time, we have been strengthening workplace friendliness and employee care. We have set up a dedicated employee fitness center and provide health counseling service on a regular basis to improve employee safety and happiness as well as organizational cohesion. As a result, we won a Vibrant Vitality Award and a Badge of Accredited Healthy Workplace from the Health Promotion Administration, Ministry of Health and Welfare in 2023.

Sustainability Governance and Social Responsibility

Sustainability governance-wise, our efforts have been recognized domestically and overseas, for example, we are a frequent winner of the Top -100 Taiwan Corporate Sustainability Award, in the top 5% of the Taiwan Stock Exchange's Corporate Governance Evaluation, have a long-term credit rating of twA- with a stable long-term outlook received from Taiwan Ratings, and have become a constituent of the FTSE4Good TIP Taiwan ESG Index and TWSE Corporate Governance 100 Index, which evidence our strong commitment to sustainable development.

We are fully aware that as pioneers in the industry, we must not only comply with regulations but also actively promote the sustainable development of the industry and be responsible to society. At our global operational bases, we adhere to local laws and go further to be the forerunners and bearers of experience in the industry. In 2023, the PT Indonesia Morowali Industrial Park established a Sustainability (ESG) Foundation. With Walsin Lihwa's successful ESG experiences, we assist in promoting sustainable development in the Indonesian industrial park and participate in the foundation's operations, demonstrating the positive impact and social influence of the corporation.

By enhancing organizational capabilities and deepening social engagement, we are committed to becoming a company that not only pursues growth and profit but also assumes the responsibilities of a corporate citizen. Sustainable growth has taken deep roots in our core strategy development and implementation as well as daily operations. We embed sustainable development deeply into the core strategies and daily operations of our company, encouraging all colleagues to be bold in innovation and self-improvement within their roles. In the future, we shall keep strengthening our pursuit for excellence and cooperation with business partners around the world to expedite business growth and technological innovation and shall also further dedicate ourselves to environmental protection and social progress to help create an even better future.



Chairman, Yu-Lon Chiao

Message from President and Chief Sustainability Officer

Dear Friends,

In 2023, Walsin Lihwa continued ESG strategy development and implementation according to the company's sustainable development roadmap to strengthen various sustainability measures step by step. We not only consider sustainability one of our important missions but also pay attention to possible future trends around the world to dedicate ourselves to green transformation as well as development of relevant technologies and applications, so that Walsin Lihwa can be competitive enough in an ever changing and increasingly complicated environment.

Environmental Sustainability

In response to climate change, we conduct a thorough assessment of the potential impact of climate change on our company's business through the Task Force on Climate-related Financial Disclosures (TCFD) risk management framework, and we have integrated the assessment results into long-term business strategy. By conducting financial quantification of the impact and setting responsive targets, we effectively implement climate risk management. To enhance our company's adaptive capacity to climate change, we schedule to achieve our net-zero pathway goals through the optimization of processes and the utilization of renewable energy.

In the future, we shall continue our endeavor to realize a green, highly efficient, and low-carbon production model. Energy-wise, our renewable energy planning and implementation to strengthen corporate resilience include in-house solar power generation and cooperation with green power providers to secure stable renewable energy sources, gradually increase renewable energy utilization, and decrease total emissions. In 2023, our smart wire & cable as well as stainless steel plants respectively brought in advanced energy-saving equipment and smart technologies including automatic guided vehicles, automatic task scheduling, and automatic dispatching while engaging in production parameter and industry chain inventory optimization. As a result, production efficiency significantly increased but energy consumption decreased at these plants.

Social Sustainability

Walsin Lihwa believes employees are the most precious asset and are also the core driver of innovation and progress at our company; therefore, we are committed to develop a work environment full of learning opportunities by providing various learning channels such as reading clubs, workshops, and an online course platform, so that employees can benefit from rich practical experiences and professional skills developed by training. We also follow a number of international standards to continue strengthening management of human right issues, create a happy workplace, and promote labor-management harmony.

Through industry-academia exchange activities, Walsin Lihwa collaborates with universities and research institutions to establish an innovation R&D center, promoting various industry-academia collaborations and research projects. By combining theoretical knowledge and practical application, we not only achieve good results in the cultivation of technical talents but also accelerate the resolution of bottlenecks encountered in development, thereby enhancing our new product R&D capabilities.

As a responsible corporate citizen. Walsin Lihwa provides feedback to society by ongoing support for education, cultural, and ESG development. Education-wise, the 2nd phase of our Light Up the Corners Throughout Taiwan project sponsors newspaper readings courses at elementary and junior high schools and provides employee volunteers. In terms of culture, in addition to sponsoring traditional theater and supporting film arts, our 2023 Family Day further incorporated performing arts to promote the sustainable development of Taiwanese art and cultural groups. Recognizing the severe impact of climate change on farmers, our company supports environmentally friendly farming through contract farming and adopting local kiwifruits in Taiwan. We work together with farmers to share the risks of climate change and reduce carbon emissions by replacing imports with local products.

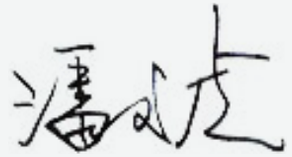
Sustainable Governance

Corporate governance is one of the core values of Walsin Lihwa to enable ongoing education and training of the board members, management and employees on ethical management. Relevant system and systematic management are therefore strengthened while the smoothness of grievance and compliant channels can be ensured. We also continue strengthening risk management and corporate resilience. In addition to our attention to operational risks, strengthening information security is a priority at Walsin Lihwa, where protective measures and simulation drills are effective in improving protection against information risks. In 2023, we were an Information Security Leadership Award winner in the Taiwan Corporate Sustainability Awards in recognition of our efforts in information security management.

Additionally, to strengthen information management capabilities, our company has established a Strategic Information Management Center. The center is dedicated to cultivating our colleagues' abilities in data analytics, integration, and learning. In the future, it will also be responsible for analyzing and evaluating key operational data, providing critical information for business units to make informed management decisions.

Over the past several years, we have been strengthening our competitiveness through strategic planning and innovation of technologies while dedicating ourselves to even higher quality and value of products and services. We seize opportunities for strategic collaboration in the international market, strengthen our product line, and comprehensively enhance the integrity of our production equipment, technological applications, market layout, product certification, and sales network. This makes us more competitive in the global market.

In the future, Walsin Lihwa shall continue its endeavor for energy infrastructure innovation, further international cooperation, and application of technology innovations with unremitting pursuit for sustainable development. We believe we are able to face up to challenges through team efforts and support by our partners to create a more prosperous and sustainable future.



President and CSO, Fred Pan

Company Profile

About Walsin Lihwa

Established in 1966 as a manufacturer of power wires and cables at inception, Walsin Lihwa became listed on the Taiwan Stock Exchange in 1972 and is now a leading company of power wires and cables in the Greater China region, a global stainless steel industry leader, and an international consortium by successful expansion into the commerce and real estate, resources, renewable energy, and hi-tech industries.

Walsin Lihwa core businesses include power wires and cables, stainless steel, resources, as well as commerce and real estate. Since the 1980s, Walsin Lihwa commenced investment in semiconductors, electronics components and parts, printed circuit boards, optoelectronics, and finance by establishing Winbond Electronics, Passive System Alliance, HannStar Board, and HannStar Display.

For expansion into the market of high-end applications of stainless steel as well as the green energy sector, Walsin Lihwa's Italian subsidiary Cogne Acciai Speciali completed its acquisition of Special Melted Products and two steel-rolling mills from Outokumpu in 2023 in Europe. Walsin Energy Cable System Co., Ltd. was also established together with Denmark's NKT HV Cables in 2023 to set up a submarine cable plant in the Port of Kaohsiung. Construction of the plant is expected to be completed to commence production in 2027. The plant will help enhance Taiwan's strategic position in the international wind power and submarine cable industries.

Enjoying ongoing revenue and earnings growth, Walsin Lihwa incorporates ESG into its daily operation to help drive economic, environmental, and social progress and lay a solid foundation for corporate sustainability.

Corporate Vision and Culture

Corporate Vision : The pursuit of continuous growth by leveraging industry 4.0 advantages; commitment to environmental protection, energy efficiency, R&D and innovation; and devotion towards manufacturing as a service to become the most reliable and trustworthy business partner to our customers.

Corporate Culture :

Commitment to Business Integrity

Create a business environment conducive to sustainable development based on business integrity, sound corporate governance, and effective risk management.

Down-To-Earth Attitude Toward Business

Identify the root cause of every issue to enable total solution development.

Emphasis on Scientific Approaches

Do things right and well by emphasis on hard evidence and methodology to make good use of scientific tools.

Pursuit for Excellence

Strengthen operational efficiency and effectiveness by making good use effective tools, methods, and human resources.

Industry Supply Chains

Industries, customers served, and products and scopes of applications

Wire and Cable Business

- Power Cable
- Communication Cable
- Industrial Cable
- Copper Wire
- Steel Cables & Wires
- Submarine Cable [note]

Power transmission and distribution, telecommunications network transmission, wind turbines, transportation, construction, engineering, home appliances, and electrical and mechanical engineering.

Stainless Steel Business

- Wire Rod
- Cold Finished Bar
- Hot-Rolled Bar
- Seamless Pipes and Tubes
- CR & HR Coil
- Precision Foil
- Billet / Slab / Ingot

Energy, petrochemical, automotive, and aerospace applications, industrial and construction piping; metal hardware, fasteners, as well as medical, electronics, restaurant and kitchen, and electrical appliance applications.

Resources Business

- Production and Sale of Nickel Pig Iron
- Production and Sale of Nickel Matte
- Material Trading Business

Stainless steel smelting and electric vehicle batteries.

Real Estate Business

- Construction and Real Estate Development
- Asset Management
- Property Management

Real estate development, office building leasing, shopping mall operation, and property management.

Note: In September 2023, a joint venture was established with Danish NKT Group to build a submarine cable factory. It is anticipated that trial production will be completed by 2025, with operations commencing in 2027.

Business Locations

Our headquarter is located in Taipei, Taiwan, and business locations are distributed throughout Taiwan, Mainland China, Malaysia, Indonesia, U.S.A., Italy, Sweden and United Kingdom.

● Wire and Cable Business ● Stainless Steel Business ● Resources Business
● Real Estate Business ● Others

Wire and Cable Business	●Hsinchung ●Yangmei ●Shanghai ○Hangzou
Stainless Steel Business	●Taichung ●Yenshui ●Yantai ●Jiangyin ●Changshu ●Italy ○Sweden ○U.K.
Resources Business	○Indonesia
Real Estate Business	●Taipei ●Nanjing
Others	○Indonesia ●Malaysia ○U.S.A.

Note: Solid circles are the sites disclosed by the report whereas hollow circles are the sites undisclosed.

Milestones

Solid Foundation Laid

1966 ~ 1986

- **1966** Walsin Wire & Cable Co., Ltd. Established.
- **1972** Company's shares listed on the Taiwan Stock Exchange.

Diversification

1987 ~ 2000

- **1987** Construction of the Yangmei plant completed.
  Established Winbond Electronics to commence hi-tech investment with Passive System Alliance, HannStar Board, and HannStar Display established subsequently.
- **1992** Established plants in Shanghai and Jiangyin to produce power cables and steel cables, thus beginning a new chapter in mainland China investment.
- **1993** Expanded into the stainless steel industry by forming Walsin Cartech Stainless Steel, a joint venture with Carpenter Technology Corp. in the U.S.

Focus on Core Business Development

2001 ~ 2014

- **2002** Expansion of Yenshui stainless steel plant was carried out to include slab steelmaking facilities.
- **2009** Completion of construction of the Taipei head office in the A6 area, Xinyi Project District for further expansion into commerce and real estate.
- **2010** Nanjing Walsin Centro began construction, the start of real estate development in mainland China.
- **2013** Cold rolled steel coil production officially commenced at the Taichung Harbor stainless steel roll plant.

Successful New Business Development

2015 ~ Present

- **2015** Established the Corporate Social Responsibility Committee [note] for corporate sustainability management and promotion.
  Note: It was renamed as the Sustainable Development Committee in 2019.
- **2019** The 'ONE mall' in Nanjing Walsin Centro, in the commercial real estate field, commenced operation.
- **2020** Established Walsin Nickel Industrial Indonesia to stabilize its upstream material nickel pig iron supply.
- **2022** Invested in Cogne Acciai Speciali in Italy for global stainless steel market development.
  Invested in PT. Sunny Metal Industry for nickel matte development and expansion into the market of electric vehicle batteries.
  Commenced a test run of steel rolling in Yantai for smart manufacturing development.
- **2023** Walsin Lihwa's move towards green economy : acquisition of the UK-based Special Melted Products (SMP) expands its market into high-end applications of stainless steel, and the joint venture with cable manufacture NKT commences submarine cable business development.

Progress Towards Sustainability

Materials Topics

Sustainable Policy

- Insistence on integrity and commitment to ongoing improvement of operational effectiveness
- Ongoing improvement of corporate governance to ensure business sustainability
- Development of a friendly work environment and an innovative learning organization
- Thorough safety management to create an outstanding workspace
- Effective implementation of carbon reduction and energy efficiency to enable green production
- Ongoing corporate social responsibility and public interest initiatives

Sustainability Strategy and Implementation Guidelines

Aspect	Implementation Centers	Sustainability Strategy	Implementation Guidelines	Mid- and Long-Term Goals Achieved	SDGs
Environment	Environment, Healthy, and Safety (Environmental Protection)	Strengthen energy and resource management to lower the impact of operations on the environment and to develop towards a circular economy.	Increase resource use efficiency and recycling for a circular economy.	• Kept pace with international environmental, health, and safety sustainability indices to create shared social value by better fulfillment of corporate social and health responsibilities. • Implemented intellectual environmental, health, and safety applications for pollution monitoring and prevention, equipment safety protection, contractor management, as well as daily just-in-time management. • Strengthened water resource monitoring and timely responsiveness to stipulate water resource management and relevant coping strategies (Water consumption in 2030 is expected to be 15% lower than that in the 2014 benchmark year). • Sought relevant resources and made good use of cooperation opportunities for circular economy business development to establish an open and circular system and enable value enhancement.	
			Establish energy management mechanisms for energy conservation, carbon reduction, and reduce pollutant emissions.	• Engaged in rolling wave planning for greenhouse gas emission adjustments, energy management, and energy saving and carbon reduction strategy development to help achieve net zero in 2050. • Engaged in adaptive adjustment in greenhouse gas emissions and energy management strategies to meet Energy Productivity 100 (EP100) and Science Based Targets Initiative (SBTi) standards and strengthen overall energy efficiency.	

Aspect	Implementation Centetrs	Sustainability Strategy	Implementation Guidelines	Mid- and Long-Term Goals Achieved	SDGs
Social	Environment, Healthy, and Safety (Occupational Health and Safety)	Prioritize employee safety and health, and establish well-rounded policies and regulations which are enforced in each plant.	Protect labor safety and health, and create a safe working environment.	•Continued worker counselling and communication to strengthen workplace safety culture development. •Pursued vision Zero in conjunction with smart management of safety.	
	Employee Relations and Social Engagement	Uphold the concept of total involvement, cultivate top tier talents and create a happy workplace.	Create a happy workplace, improve labor management relationships, and increase employees' affinity and engagement.	Strenthened employees' understanding of and afnity for the company and their departments by promoting blending of junior and senior employees and subsequent succession, and offered an enviornment for employee participation.	
			Strengthen talent cultivation and career development planning, and help employees learn, grow, and achieve self-fulfillment.	Developed diverse paths for career development for employees.	
		Promote mutual development with local communities to gain greater social influence.	Engage in charity to increase its influence in four aspects: Corporate citizenship, care for the underprivileged, environmental protection and preservation, and community outreach.	Strengthened tying in public welfare subjects with core businesses.	
Governance	Business Integrity	Uphold the corporate culture of business integrity to continue improving corporate governance and strengthening stakeholder's trust in Walsin Lihwa.	•Promote legal compliance and provide education and training on business integrity as well as compliance requirements. •Improve and perfect business integrity-related regulations and systems. •Implement business integrity and establish anti-bribery management mechanisms. •Identify the risks associated with business integrity violations at individual plant sites to accordingly develop preventive measures.	•Contiued promoting business integrity by providong relevant education and training while ensurng legal compliance with relevant regulations and systems to enhance employees' consciousness of business integrity and further strenthen the business integrity corporate culture. •Implemented risks assessment and management effectively to ensure legal complaince and strengthen business integrity.	
	Customer Service and Supplier Management	Continually engage in customer centric innovation and R&D, improve production and service models, and strive to create value for customers.	•The Wire and Cable Business Group's intelligent logistics and new service model development to meet customer needs. •The Stainless Steel Business Group's focus on customer and industry development, service process optimization, and customer trust enhancement to create a win-win situation.	•The Wire and Cable Business continue process and customer experience optimization, enhance service quality, and increase customer groups. •The Stainless Steel Business improve customer dependence with service value, and assist customers to complete the industrial applications upgrades and transformations.	

Aspect	Implementation Centetrs	Sustainability Strategy	Implementation Guidelines	Mid- and Long-Term Goals Achieved	SDGs
Governance	Customer Service and Supplier Management	Comprehensively implement and strengthen supplier sustainability management to mutually grow with our business partners.	Effectively implement supplier management to develop a sustainable supply chain.	**Optimization of Supply Chain Management** •Continued strengthening onsite inspections of supply chain sustainability and supply chain risk assessment. •Required suppliers to improve their high-risk vulnerabilities with counselling provided accordingly based on the inspection and assessment results. •Included supplier sustainability into suppliers assessment. •Convened supplier meetings on a regular basis to communicate the key points of supplier management as well as relevant issues and policies.	
Innovation	Green Operation	Pursue ongoing improvement and innovation, dedicate to the development of green manufacturing process, product, and technology development, create shared value with customers, and establish a sustainable business mode.	**Wire and Cable** •Commit to green business development to assume an important role in green supply chains. •Promote environmental friendliness, protect the earth, and strengthen competitiveness in circular economy. **Stainless Steel** •Dedicate to innovative green technology development applied to energy saving process, product performances, and industry development while working with partners from upstream to downstream building green supply chain to strengthen carbon reduction. **Resources Business** •To stabilize the operation and manufacturing process to ensure effective utilization of resources. •To develop green energy and carbon reduction plans to help cope with future risks and grasp potential opportunities.	**Wire and Cable** •Develop green products for renewable energies •Develop green products for new energy vehicles. •Develop submarine cables for offshore windpower generation. •Develop thermoplastic regeneration technology for XLPE insulation materials. •Develop environmentally friendly recyclable low-carbon cable materials. **Stainless Steel** •Pursued manufacturing process optimization and high-yield green process development. •Developed high-performance green products featuring high machinability, high strength, high heat resistance, and soft magnetism. •Expanded into the green industries. **Resources Business** •Stabilize operation and promote green energy development and carbon reduction plans. •Continue develop green energy and carbon reduction plans to enable effective sustainable development.	

Note: Please refer to individual chapters of the report for the 2023 Sustainability Development Goals and achievements.

Sustainability Achievements and Honors

Environment

ISO 14064
ISO 14064-1:2018 certification granted to all Walsin Lihwa plants in Mainland China in 2023.

133 carbon reduction solutions for effective reduction of 10,089.7 tonnes of carbon
Implementation of 133 carbon reduction solutions in 2023 and reduction of 10,089.7 tonnes CO_2e.

1,054,868 kWh of renewable energy
Implementation of 4.9 MWp of solar power generation in 2023 for grid-connected power generation of 1,054,868 kWh.

>90%
Water recycled at Taiwan plants.

>97.20%
Non-hazardous waste recycling.

> NT$ 1.4 Billion
NT$1,465,410,511 for environmental protection equipment and related expenses in 2023.

Social

11,489 hours of human rights training
81 courses on human rights in 2023 with 11,489 hours of training provided to employees.

> 280,000 hours
of employee education and training
63,154 hours of online education and training for employee talent cultivation with 283,039 hours in total.

> NT$38 million
NT$38,156,167 investment in education and training.

Family day art event
Support for local art activities by leveraging Walsin Lihwa's employee family day inviting more than 4,500 people to enjoy Formosa Circus Art's performance.

Support for local agriculture
Environmentally friendly farming "Kiwi Fruits' Multiple Choice Question" video and digital special feature attracted a total online traffic of 847,600 views.

Total input of social care initiatives
NT$ 85.51 million
In 2023, social engagement investment amounted to NT$85.51 million, including a sponsorship of NT$48.24 million to the Indonesia Morowali Industrial Park's sustainable development foundation for culture, education, environmental protection, medical care, sports, and village infrastructure promotion.

Governance

Top 5%
In the top 5% of the outstanding companies recognized by the Corporate Governance Evaluation for 7 consecutive years.

100%
Percentage of the employees (in Taiwan and Mainland China) and the Board of Directors who signed the statement of compliance with the Procedures for Ethical Management and Guidelines for Conduct.

Class A Certification by TIPS
Class A certification granted by the Taiwan Intellectual Property Management System for three times.

ISO 27001
ISO 27001 Information Security Management certification for 2 consecutive years.

>7,500 trainees
More than 2,500 cybersecurity training attendees.
More than 5,000 trainees attending two email social engineering drills.

>96%
Commitment to sustainability with self-assessments made by both key and new suppliers.

Walsin Lihwa low-carbon alliance
Suppliers invited to Walsin Lihwa's low-carbon alliance in 2023 for sustainable business model development.

Environment

Voluntary Reduction of Greenhouse Gases

Recognized by the Industrial Development Administration, Ministry of Economic Affairs as an outstanding company for voluntary reduction of greenhouse gases.

Green Building

LEED green building certification and WELL healthy building gold certification awarded to the T1 office building of Walsin Centro.

Green Factory

Yantai City's green factory rating awarded to Walsin Lihwa's 2nd plant in the city.

Social

Occupational Safety and Health

An outstanding company recognized the Occupational Safety and Health Administration, Ministry of Labor in terms of active evaluation of occupational safety and health indicators in the corporate sustainability report.

Happy Enterprise Award

A winner of 1111 Job Bank's Happy Enterprise Gold Award in the manufacturing sector for two consecutive years.

Best Employer in Asia

Inclusion into HR Asia's Best Companies to Work with in Asia in 2023.

Outstanding Healthy Workplace Award

Won the Excellent Healthy Workplace Award - Vibrant Award

Silver Award

Silver Award of the Taipei Golden Eagle Micro-Movie Festival Award for SaySiyat Etude, a public interest video

Governance

Corporate Governance Evaluation

Among the top 5% in the Corporate Governance Evaluation and in the top 10% of non-financial and non-IT companies in Taiwan with a market value of more than NT$10 billion.

Taiwan Stock Exchange

A constituent of the FTSE4Good TIP Taiwan ESG Index.
A constituent of the Taiwan Corporate Governance 100 index.

Taiwan Corporate Sustainability Award

Top-100 Taiwan Corporate Sustainability Award.
Sustainability Report Platinum Award.
Cybersecurity Award.

Global Corporate Sustainability Award

Sustainability Reporting Bronze Class

Inclusion into the Taiwan Best-in-Class 100 in 2023

The 2023 Taiwan Best-in-Class 100 developed by the Taiwan Institute of Directors.

ISO 27001 Certification

ISO 27001 information security certification.

Gold Trade Award

Gold Trade Award granted by the International Trade Administration, Ministry of Economic Affairs in the category of best trade contribution.

United Nations Sustainable Development Goals (SDGs)

While pursuing sustainable development and vision fulfillment, Walsin Lihwa makes good use of technology to strengthen energy efficiency, environmental protection, and R&D for innovation to create value for customers, achieve common prosperity with society, and support the UN's SDGs. A summary of relevant practices and benefits follows.

United Nations SDGs		SDG Initiatives and Achievements at Walsin Lihwa	Chapter Response
Goals	**Targets**		
4 Quality Education	4.5 Ensure equal access to all levels of education and vocational training for the vulnerable	•"Light Up the Corners Throughout Taiwan" Project to help perfect facility and teacher quality at 5 elementary and junior high schools for them to develop feature education. •Assisted in newspaper reading and tutoring at 58 elementary and junior high schools including 623 classes to help resolve urban-rural education disparity.	2.5.2 Empathizing with the Underprivileged 2.5.4 Community Outreach
5 Gender Equality	5.a Undertake reforms to give women equal rights to economic resources	•Improved job substitution and family care mechanisms to encourage female employees to return to work after maternity leave with 66.7% of female employees returning to work in 2023.	2.3 Talent Motivation and Retention
7 Affordable and clean energy	7.3 Increase energy efficiency	•Implemented 133 carbon reduction solutions and decreased 10,089.7 tonnes of CO_2e.	1.2.2 Energy Saving and Carbon Reduction Management
	7.a Strengthen renewable energy development	•Completed implementation of 4.9MWp of solar power generation for grid-connected power generation of 1,054,868 kWh in 2023. •Completed delivery of 9.5MW HV cables -- a CleanTech product -- for offshore wind turbine towers.	1.2 Energy and Greenhouse Gas Management 4.2 Green Products and Operation
8 Decent work and economic	8.2 Pursue industry upgrading to increase product added values	•Engaged in smart manufacturing for high added-value and high-end application product development as well as transformation into manufacturing service.	4.1 Product Quality and Responsibility
	8.3 Support productive activities, decent job creation, entrepreneurship, creativity, and innovation	•Helped suppliers understand suppliers management to together strengthen mutual competitiveness.	3.5 Supply Chain Sustainability and Customer Service
	8.5 Achieve full and productive employment, and equal pay for work of equal value 8.7 Take immediate and effective measures to protect labor rights	•Provided fair, reasonable compensation packages and work conditions, and ensured nondiscrimination for equal employment opportunities, no child labor nor forced labor.	2.1 Human Rights and Talent Management Policy

United Nations SDGs		SDG Initiatives and Achievements at Walsin Lihwa	Chapter Response
Goals	**Targets**		
 9 Industry, innovation and infrastructure	9.1 Develop sustainable infrastructure	•Developed and produced wires for solar and wind power generation as well as electric vehicle chargers along with other CleanTech products such as battery upstream raw materials.	4.1.2 CleanTech R&D and Investment 4.2.1 Green Product Development
	9.2 Promote inclusive and sustainable industrialization	•Promoted smart manufacturing for high added-value and high-end application product development as well as transformation into manufacturing service. •Worked with the National Taiwan University's R&D innovation center for R&D of green circular and energy technologies while cultivating relevant talents.	4.1.1 High-Value Transformation 4.1.2 CleanTech R&D and Investment
	9.4 Adopt clean and environmentally sound technologies and industrial processes	•Pursued manufacture process improvement to increase productivity and decrease energy consumption, emissions, and waste outputs while promoting waste recovery and reuse for green production development and waste reduction at source.	4.2 Green Products and Operation
 12 Responsible consumption and production	12.2 Achieve the efficient use of natural resources	•Recycled scrap steel used in stainless steelmaking amounted to 39.92%. •Decreased 3,321 tonnes of power wire and cable package materials and the use of recycled package materials amounted to 54.69%.	4.2.3 Status on Raw Material Use
	12.4 Achieve the environmentally sound management of all wastes 12.5 Substantially reduce waste generation through prevention, reduction, recycling, and reuse	•Recycled and reused 95.61% of scrap copper wires, power wires and cables, and stainless steel, and recycled and reused more than 97.20% of non-hazardous wastes.	1.3.3 Waste and Resource Recycle
	12.6 Encourages companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle	•Started to issue the annual Sustainability report in 2014, started to provide the English version of the report in 2017, and incorporated the SASB standards and the TCFD recommendations into the 2020 report.	Appendix 1, About the Report
 13 Climate action	13.1 Strengthen resilience and adaptive capacity to climate related hazards and natural disasters	•Developed photovoltaic (PV) cables for solar power, DC and HV cables for offshore turbines, lightweight cables for port machinery systems, and cables for electric vehicle chargers. •Developed highly machinable, resilient, weldable, high-strength, heat-resistant, and corrosion resistant stainless steel to help increase power efficiency and decrease carbon emissions.	4.2 Green Products and Operation

United Nations SDGs		SDG Initiatives and Achievements at Walsin Lihwa	Chapter Response
Goals	**Targets**		
 15 Life on land	15.4 Ensure the conservation of mountain ecosystems 15.5 Halt the loss of biodiversity	•Plan to develop a greenbelt near the plant as a habitat for ring-necked pheasants and eastern grass owls. •Worked with the National Chung Hsing University for provenance protection and restoration of Taiwan indigenous plants. •Released a documentary on environmentally friendly farming, Kiwi Fruits' Multiple Choice Question, generating 330,000 views and developed a feature story, An Encounter with Kiwifruits, read by 517,600 people.	1.4 Ecological Protection 2.5.3 Caring for Ecology
 16 Peace, justice and strong institutions	16.5 Substantially reduce corruption and bribery in all their forms	•Continued legal compliance promotion as well as education and training on business integrity in 2023, when all the 1,353 participants passed tests after their education and training. •Continued strengthening business integrity, including anti-bribery and corruption practices, and legal compliance promotion at supplier conferences in 2023, when 186 suppliers in Taiwan and mainland China participated in such conferences.	3.3 Business Integrity
	16.b Promote and enforce nondiscriminatory laws and policies	•Forbad any unequal treatment and ensured nondiscrimination. Walsin Lihwa Human Rights Policy: https://www.walsin.com/en/about-us/who-we-are/#pills-human-rights	2.1 Human Rights and Talent Management Policy
 17 Partnerships for the goals	17.17 Encourage and promote effective public, public-private and civil society partnerships	•Assumed an active role in the Chinese International Cooperation Association, Epoch Foundation, Foundation for Peaceful Development Across the Taiwan Strait, and Chinese National Association of Industry and Commerce among others to help facilitate economic, industry, and technology development.	2.5.5 Corporate Citizenship Appendix 7, Participation in External Organizations

Identification of Material Topics

Stakeholder Engagement

2023 Stakeholder Identification and Material Topics Analysis Process

01 Stakeholder Identification

Compilation

Data source:
Walsin employees, sustainability report

11 categories of stakeholders

19 valid questionnaires from management level

Analysis

5 principles of AA1000 stakeholder engagement: Responsibility, Influence, Tension, Diverse Perspectives, Dependency

Validation

6 categories of material stakeholders, unchanged as compared with those in 2022

02 Material Issues Analysis

Understand the organization's sustainability context → Identify actual and potential impacts → Assess the significance of the impacts → Prioritize the most significant impacts for reporting → Material topics

Source:
- International sustainability standards and specifications
- International sustainability ratings
- UN's SDGs
- Industry trends
- Relevant sustainability practices in the industry

22 Sustainability Issues

- 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
- Assessment of the degree of concern by key stakeholder

28 Valid Questionnaires on Internal Impacts

302 Valid Questionnaires on External Stakeholders

Analysis of the senior management's assessment of the impacts related to sustainability issues to develop a matrix of material sustainability issues with positive and negative impacts and use union to compile the top-5 sustainability issues with significant positive and negative impacts while factoring in external stakeholders' degree of concern with sustainability issues to establish annual sustainability issues.

12 Major Sustainability Issues

Review of the material issues identified by the Sustainable Development Committee to confirm they meet sustainability contexts and full disclosure requirements to develop policies for management of various material issues.

Stakeholders

Walsin Lihwa identifies and prioritizes stakeholders pursuant to the five principles of the AA1000 Stakeholder Engagement Standard (2015), i.e., Responsibility, Influence, Tension, Diverse Perspectives, and Dependency.

In 2023, 19 senior executives took part in stakeholders identification, confirmed the degree of relationship between such stakeholders and Walsin Lihwa, took inventory of 11 categories of major stakeholders, and identified 6 categories of important stakeholders, 1) shareholders and investors, 2) customers, 3) employees, 4) suppliers, contractors, and outsourcers, 5) government agencies, and 6) banks and financial organizations. The analysis results are the same as those in 2022. Walsin Lihwa has established a complete and comprehensive communication channel to effectively stay on top of the issues of their concern and their specific opinions to enable active responsiveness, review, and improvement.

Key Stakeholders	Importance to Walsin	Issues of Concern	Communication, Responsiveness, and Frequency	Effectiveness of Communication in 2023
Shareholders / Investors	Shareholders are the foundation of Walsin's existence; the shareholders' meeting is the highest level organization that decides the direction of Walsin's development according to the law.	•Financial performance •Corporate Governance •Legal compliance •Sustainability Strategy •Labor relationship	•General shareholders' meeting (Once a year) •Publication of annual report (Once a year) •Investor conferences (4 times a year) •Questionnaire on sustainability issues of stakeholder concern (Once a year) •Company website (Immediate) •TWSE market observation post system (Immediate) •Company spokesperson system (Immediate) •Shareholder service center (Immediate) •Complaints and suggestions mailbox and hotline opinion@walsin.com (Immediate)	•1 shareholders' meeting. •9 board of directors meetings. •3 ESG engagement meetings. •24 investor meetings. (briefing sessions for small corporations) •4 institutional investor briefings to communication market conditions, future trends, growth strategy development, and profitability.
Customers	Customers are the core of Walsin's improvements in products and services; Walsin develops long-term trusting customer relationships.	•Customer service and relationship •Product quality and responsibility •Occupational health and safety •Legal compliance •Sustainable Supply Chain Management	•Questionnaire on sustainability issues of stakeholder concern (Once a year) •Customer satisfaction survey (One or two times a year) Please refer to section 3.5 Supply Chain Sustainability and Customer Service •Visits to customers (Irregular) •Phone, email and feedback sent through mail (Immediate)	•Customer ratification: 89.6%. •Regular and irregular visits to customers: 4,637 times. •Phone or email communication and feedback. •Participation in Wire & Tube Dusseldorf and TOC Asia in Singapore for product and service promotion as well as opportunities for cooperation with potential customers and partners.

Key Stakeholders	Importance to Walsin	Issues of Concern	Communication, Responsiveness, and Frequency	Effectiveness of Communication in 2023
 Employees	Employees are the most important asset of Walsin Lihwa to enable breakthroughs and innovations. Business sustainability at Walsin Lihwa relies on employee cohesion and support.	•Hiring, Salary and Benefit •Labor Relationship •Financial Performance •Training and Education •Occupational Health and Safety	•Questionnaire on sustainability issues of stakeholder concern (Once a year) •Environment, health and safety committee meeting (Quarterly) •Labor-management meeting (Quarterly) Please refer to section 2.3 Talent Motivation and Retention •Employee intranet and e-newsletter (Information on our employee portal is updated twice a month. Announcements and the latest news are irregularly sent) •Complaint mailbox and hotline opinion@walsin.com (Immediate) •Mechanism for the involvement of all employees (Immediate)	•70 safety and health committee meetings. •20 labor-management meetings. •1 corporate annual meeting with more than 300 physical and online participants. •2 family days, with 4,500 colleagues and their families participating. •56 friendly train series activities including wisdom quotes from founder of Walsin Lihwa, lectures, reading clubs, etc. field. •13 campus recruitment sessions.
 Suppliers, Contractors and Outsourcer	Suppliers/Contractors/ Outsourcers are Walsin's upstream materials and service providers, and are key business partners that support Walsin.	•Legal compliance •Customer service and relationship •Occupational health and safety •Sustainability Strategy •Product quality and responsibility	•Questionnaire on sustainability issues of stakeholder concern (Once a year) •Visits, on-site assessments and audits (Irregular) •Phone, email and letters (Immediate) •Supplier Conferences (Once a year)	•No major occupational disaster happening to contractors throughout the year. •2 exchange conferences at the plants in Taiwan and Mainland China to share green supply chain experiences (Please refer to 3.5 Supply Chain Sustainability and Customer Service).
 Government Agencies	Government agencies establish regulations for economic, environmental, and social aspects at the highest level; operations at Walsin are based on the latest laws and regulations.	•Occupational health and safety •Labor relationship •Human Rights Protection, Diversity, and Inclusion •Hiring, Salary and Benefit •Training and Education	•Questionnaire on sustainability issues of stakeholder concern (Once a year) •Official notification (Irregular) •Participation in briefing and conciliation meetings, questionnaires, and training courses on various policies and laws (Irregular) •Phone, email and electronic communications platforms (Immediate) •TWSE market observation post system (Immediate)	•Material information disclosure in both Chinese and English in compliance with law. •Participation in 6 environmental protection, occupational health and safety authorities' meetings including 2 occupational health and safety meetings and 4 environmental protection meetings. •Declaration of environmental protection, occupational safety and health, and other related information on a regular basis.

Key Stakeholders	Importance to Walsin	Issues of Concern	Communication, Responsiveness, and Frequency	Effectiveness of Communication in 2023
 Banks	Provide financial assistance to Walsin Lihwa, mainly focusing on the financial performance and sustainability performance of Walsin Lihwa.	•Legal compliance •Sustainability Strategy •Risk management •Financial performance •Air Emissions Management	•General shareholders' meeting (Once a year) •Publication of annual report (Once a year) •Credit rating (Once a year) •Investor conferences (4 times a year) •Questionnaire on sustainability issues of stakeholder concern (Once a year) •Company website (Immediate) •TWSE market observation post system (Immediate) •Company spokesperson system (Immediate)	To enhance corporate governance and ESG communication, engagements were conducted with both internal and external stakeholders to understand and address their concerns: •Responded to ESG surveys or inquiries from banks 4 times. •Financial team participated in 6 ESG meetings and forums.

General Shareholders' Meeting

Publication of Annual Report

Investor Conferences

Shareholder Service

Credit Rating

Stakeholders Contact

Questionnaire on Sustainability Issues of Stakeholder Concern

Material Topic Analysis

Walsin Lihwa summed up its 22 sustainability issues in 2023 by factoring in what is required by the Sustainability Accounting Standards Board (SASB), Task Force on Climate Related Financial Disclosures (TCFD), Carbon Disclosure Project (CDP), MSCI ESG Ratings, Dow Jones Sustainability Index (DJSI), and the United Nations' Sustainable Development Goals (SDGs) as well as relevant industry trends, the results of communication with stakeholders, and evaluation of sustainability practices of the trade. Product R&D and CleanTech innovation was newly added in 2023. To understand the order of importance of the 22 sustainability issues, Walsin Lihwa consulted the definition of materiality in GRI 3: Material Topics 2021 for its senior management's assessment of "the degree of the 22 sustainability issues' significant positive and negative impacts" on the company's operation, economy, environment, and people (including their human rights) as well as "the likelihood of potential impacts" based on the principle of Double Materiality to accordingly generate the scores of impacts. Moreover, a matrix of material sustainability issues was developed based on "the degree of the 22 sustainability issues' positive and negative impacts on economy, the environment, and people" as well as "the likelihood of potential impacts," and factored in various external stakeholders' opinions. **The 12 material sustainability issues by order of importance are corporate governance, sustainability strategy, financial performance, risk management, product quality and responsibility, climate action, waste management, product R&D and CleanTech innovation, information security management, labor relationship, Occupations health and safety, and Legal Compliance .** Compared with those in 2022, the newly added include product quality and responsibility, climate action, product R&D and CleanTech innovation, and labor relations. **Focusing on the results of analysis of the aforementioned material sustainability issues, internal discussions at Walsin Lihwa consolidated corporate governance and legal compliance into one issue, adding energy management as a material issue** and defined the targets and boundaries within and without the organization to further identify 12 corresponding specific GRI topics confirmed by the Sustainable Development Committee together with the senior management as the major subjects disclosed in this report on Walsin Lihwa's strategies and strategy implementation results. The aforementioned 12 material issues are all managed according to the "Three Lines of Defense Mechanism for Enterprise Risk Management," which involves control by each department and subsidiary, various risk management units, and the audit department. For detailed management procedures and control mechanisms, please refer to Section 3.4 Risk Management and Compliance.

Sustainable Issues List in 2023

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

Environmental

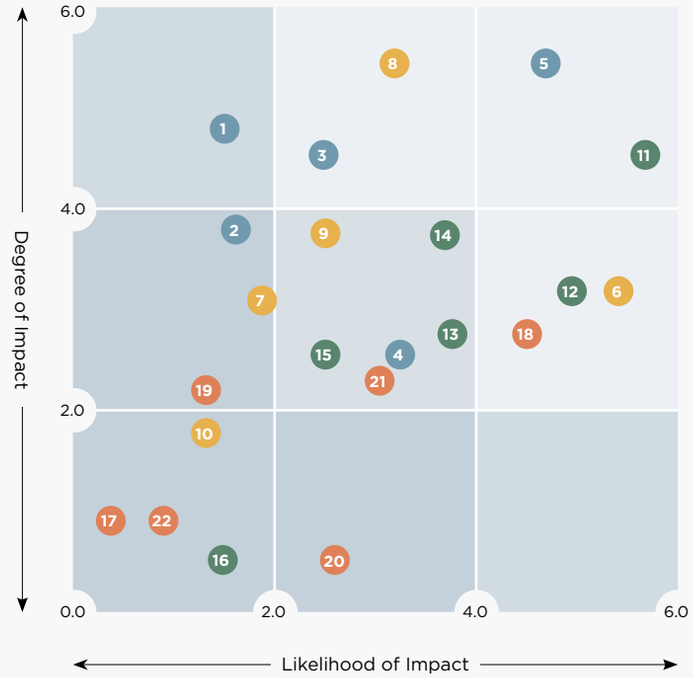
11. Climate Action
12. Energy Management
13. Air Pollution Emissions Management
14. Waste Management
15. Water Management
16. Biodiversity

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

Matrix of Level of Potential Positive Impact and Likelihood of Occurrence

Matrix of Level of Potential Negative Impact and Likelihood of Occurrence



Management of Material Topics

Material Issues and Impacts on Walsin Lihwa's Relation Value Chain

Environment

● : Actual impacts (already happened)
▲ : Potential impacts (could occur but have not yet occurred)

Material Issues	Significance to Walsin	Material Topics	Impact Description		Value Chain Impact Assessment			Chapter Response
			Positive Impact	Negative Impact	Suppliers, Contractors	Walsin	Customers	
Waste Management	Walsin's strategy for using raw materials and resources in operations, including consumables, improvement of recycling, pollution management, and environmental impact assessments.	GRI 306 Waste	•Mitigation of environmental impacts by factoring in product features for effective implementation of circular economy and waste output reduction	•Possible negative environmental impacts resulting from waste from production not processed by qualified environmental protection companies in accordance with relevant procedures	▲	●	●	1.3 Waste Management
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.	GRI 305 Emissions	•Resource efficiency enhancement by environmental management system development for planning, implementation, and examination to enable effective energy and resource management. •Greenhouse gas emission reduction by solar power generation and energy saving system implementation to increase the use of renewable energies.	•Increased operating costs or operation disruption risks resulting from failure to properly manage resource consumption.	▲	●	▲	1.1 Climate Action (TCFD) 1.2 Energy and Greenhouse Gas Management
Energy Management	Development of green circular production by ongoing energy saving and carbon reduction to decrease energy consumption and costs while strengthening energy management.	GRI 302 Energy	•Enhancement of energy utilization efficiency by effective energy saving and carbon reduction.	•Increased operating costs or operation disruption risks resulting from failure to properly manage resource consumption.	▲	●	▲	1.2 Energy and Greenhouse Gas Management

Social

● : Actual impacts (already happened)
▲ : Potential impacts (could occur but have not yet occurred)

Material Issues	Significance to Walsin	Material Topics	Impact Description		Value Chain Impact Assessment			Chapter Response
			Positive Impact	Negative Impact	Suppliers, Contractors	Walsin	Customers	
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.	GRI 403 Occupational Health and Safety	•Effective occupational health and safety management to help decrease occupational safety incidents. •Development of a workplace where employees can feel at ease to enable their high work efficiency and ensure employee health and workplace safety as a foundation of corporate sustainability.	•Increased possibilities of exposing employees to risks at work resulting from workplace health and safety management failures.	●	●	▲	2.4 Workplace Safety and Health
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.	GRI 401 Employment GRI 402 Labor	•Improvement of employee recruitment and retention, education and training, and R&D for innovation. •A happy company created by employee competencies and self-esteems.	•Failure to promote corporate sustainability or enable value creation resulting from talent shortages.	▲	●	▲	2.3 Talent Motivation and Retention

Governance and Economic

● : Actual impacts (already happened)
▲ : Potential impacts (could occur but have not yet occurred)

Material Issues	Significance to Walsin	Material Topics	Impact Description		Value Chain Impact Assessment			Chapter Response
			Positive Impact	Negative Impact	Suppliers, Contractors	Walsin	Customers	
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.	GRI 205 Anti-corruption GRI 206 Anti-competitive Behavior	•Protection of the interests and rights of stakeholders by adhering to ethical management principles and codes of conduct. •Optimization of corporate governance in compliance with law to prevent the risks of illegality and ensuing liabilities, maintain the corporate reputation and image, strengthen the brand image and credibility among customers, and increase investment and revenues.	•Negative environmental and social impacts as well as negative impacts on Walsin Lihwa resulting from ESG law violations. •Negative impacts on Walsin Lihwa's finance, reputation, and employees resulting from sanctions for violations.	●	●	▲	3.1 Corporate Governance 2.4 Workplace Safety and Health 1.3 Waste Management Appendix 2, GRI 206 Anti-competitive Behavior
Sustainability Strategy	To help realize Walson 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.	General Disclosure	•Business sustainability and corporate resilience strengthened by the Sustainable Development Committee's sustainability promotion strategy development with plans for management of various issues to ensure effective implementation of relevant policies.	•Weakened resilience of sustainable development resulting from the lack of a comprehensive sustainability strategy.	▲	●	▲	Progress Towards Sustainability 3.1 Corporate Governance Chapter 1 Climate Action and Environment Management Chapter 2 Friendly Workplace and Social Care Chapter 3 Sustainability Management and Value Innovation
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.	GRI 201 Economic Performance	•Operation effectiveness and efficiency strengthened by productivity improvement as well as cost and waste reduction.	•Revenue losses and environmental burdens resulting from higher cost and waste incurred by insufficient productivity.	▲	●	▲	3.2 Business Performance

● : Actual impacts (already happened)
▲ : Potential impacts (could occur but have not yet occurred)

Material Issues	Significance to Walsin	Material Topics	Impact Description		Value Chain Impact Assessment			Chapter Response
			Positive Impact	Negative Impact	Suppliers, Contractors	Walsin	Customers	
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.	General Disclosure	• Decrease of possible financial, reputational, or other impacts to strengthen operation resilience by improvement of risk management and tracking.	• Possible financial, reputational, or other losses for the lack of sound risk management mechanism.	▲	●	▲	3.4 Risk Management and Compliance
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.	GRI 417 Marketing and Labeling	• Business reputation and earnings improvement by providing high-quality products to meet customer expectations.	• Decrease of future revenues resulting from the lack of customer confidence because of products or services not compliant with law or not meeting customer expectations.	▲	●	●	4.3 Product Quality and Responsibility
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.	General Disclosure	• Effective core system protection through cyber security implementation. • Protection of customer interests and rights by strengthening cybersecurity management.	• Equity or goodwill damages resulting from customer compensation claims or regulatory penalties for business information for customer privacy leakage incurred by cybersecurity management failure. • Company losses incurred by hacker attacks or other cybersecurity incidents because of insufficient cybersecurity awareness among employees.	▲	●	▲	3.4.2 Information Security 3.5 Supply Chain Sustainability and Customer Service
Product R&D and CleanTech Innovation	R&D for product, technology, and business model innovations amount to the competitiveness and value of Walsin Lihwa. Clean technologies are also very effective in energy saving and carbon reduction at Walsin Lihwa.	Product Development and Technology Innovation	• Increase of product competitiveness and revenues by following the trend of sustainability, meeting customer needs and wants, and strengthening branding as well as environmental friendliness.	• Insufficient competitiveness resulting from R&D failure to meet	▲	●	●	4.1 Product and R&D Innovation

Management Approach Table

Material Issues	Management mechanisms and purpose	Policy / Commitment / Responsibility	Goals / Resources / Actions / Complaint Mechanisms
Corporate Governance & Legal Compliance	•Periodic Sustainability and corporate governance meetings conduct follow-ups on the implementation status of annual plans to protect shareholders' rights, treat shareholders equally, strengthen the Board of Directors' structure and operations, increase information transparency, and fulfill CSR. •Categorized based on organizational function and the laws relevant to each function; we follow regulatory changes and make proposals where necessary to revise the Articles of Incorporation or internal regulations. •The Business Integrity Center under the Sustainable Development Committee is responsible for the implementation of related policies, regulatory compliance training, and supervision of the audit mechanism. •Create a corporate culture of honest business practices and facilitate sound business development and corporate sustainability. •Ongoing perfection of the company's intellectual property-related regulations and rules to establish the company's intellectual property management system.	•Corporate governance is a mechanism for guiding and managing companies to fulfill their responsibilities, protect shareholders' lawful rights, and give consideration to the interests of other stakeholders. •Integrity is an important part of the company's culture that stress that all business activities must comply with local laws and regulations. •We are committed to complying with laws, regulations, and procedures, and have established an emergency reporting system.	•Internal complaints: Walsin Lihwa has an internal company mailbox and easily accessible internal complaint channels •External complaints violation of honest business practices and sexual harassment TEL: 886-2-8726-2211 ext.6399 E-mail: opinion@walsin.com ESG mailbox: esg@walsin.com Mailbox and phone for investors and shareholders: https://www.walsin.com/en/about-us/contact-us/#pillsstackholders-communication
Sustainability Strategy	•The Sustainable Development Committee is responsible for sustainability strategy and vision development to ensure strategy implementation through individual pronation centers, stay on top of the implementation status at regular meetings, and report the annual implementation results of corporate sustainability to the board of director on regular basis.	•Insistence on integrity and commitment to ongoing improvement of operational effectiveness. •Ongoing improvement of corporate governance to ensure business sustainability. •Development of a friendly work environment and an innovative learning organization. •Thorough safety management to create an outstanding workspace. •Effective implementation of carbon reduction and energy to enable green production. •Ongoing corporate social responsibility and public interest initiatives.	•Align the goals of the promotion centers under the Sustainable Development Committee with those of business groups. •Questionnaire on sustainability issues to understand the level of stakeholders' concern of sustainability issues. •ESG mailbox: esg@walsin.com

Material Issues	Management mechanisms and purpose	Policy / Commitment / Responsibility	Goals / Resources / Actions / Complaint Mechanisms
Financial Performance	•Comprehensive strategy development and sound management practices are required to help achieve ongoing, sustainable growth and meet the expectations of customers, employees, shareholders, and other stakeholders.	•Strategy integration, digital transformation, and core competitiveness enhancement help Walsin Lihwa continue improving its management performance.	•Mailbox and phone for investors and shareholders: https://www.walsin.com/en/about-us/contact-us/#pillsstackholders-communication
Risk Management	•Established an internal audit system and independent directors to ensure the effective operation of internal control and reporting mechanisms. •Related departments carry out risk management work to lower the impact of operational risks.	•Compliance with related laws and regulations. •Operating performance and efficiency. •Reports are reliable, timely, transparent, and comply with relevant regulations.	•The chief audit executive's reports at board meetings on a regular basis with at least a quarterly report to the Audit Committee and independent directors on the internal audit and control implementation status.
Product Quality and Responsibility	•Close attention to the EU's REACH and RoHS Directive as well as lists of new hazardous materials and Substances of Very High Concern, and products inspections by competent authorities 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.	•The quality of all products complies with domestic and international environmental protection regulations and laws and meets customer needs. •Established solid auditing and certification abilities, utilized internal/ external audits and second and third party certifications, such as customer certifications, product certifications, and system certifications, and used the concept of PDCA to constantly improve our quality management system.	Complaint mechanism: •Customer satisfaction survey •Irregular feedback through e-mail, letter, and phone communications •Irregular visits to customers •Questionnaire survey for materiality identification •Customer service contact
Informational Security Management	•Information security management planning; information security management policy promotion year by year; information security system, process, and specification implementation; and ongoing and comprehensive information security protection technology development.	•Maintenance of the confidentiality, integrity, and availability of sensitive customer data and business information to achieve information security protection together by all employees, internal and external information service users, and third-party service providers.	•Third-party verification of the ISO 27001 Information Security Management System implemented; fulfillment of the commitment to information security by the PDCA cycle, with the confidentiality, integrity, and availability of all the company data secured by a comprehensive information security management system to keep strengthening information security management through effective prevention, monitoring, and responsiveness before and throughout any information security event.

Material Issues	Management mechanisms and purpose	Policy / Commitment / Responsibility	Goals / Resources / Actions / Complaint Mechanisms
Waste Management	•Environmental protection and energy management practices at the Taiwan and overseas plants are integrated and monitored to help strengthen resource utilization efficiency, recyclability, and reuse to move towards circular economy.	•Green production, happy company, and sustainability policies with commitment to compliance, risk control, pollution prevention, energy saving, waste reduction, and performance enhancement. •We improve management practices, integrate resources, upgrade our technologies and cultivate R&D/technology talents in the environmental field to achieve the Company's environmental safety and health management vision: "Energy Conservation, Carbon Reduction, Reutilization, and Recycling."	•Recycling and reuse of furnace slags to decrease furnace slag processing costs and facilitate circular economy by regeneration of waste acids. •Resolution to clearance of reducing slags and research of waste recycling and reuse. •Research of reduction of reducing slags from steelmaking, and assessment of the uses of low-temperature steam pressure and controlled low-strength materials (CLSM). •Circular economy development by application for the reuse of regenerated acids. •Product registration of regenerate acids to be sold the factories that are in need of them with effective control of the whereabouts of such acids and filing of recovery and regeneration planning. •Acid regeneration plant (ARP) implementation assessment and circular economy model development.
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. The disclosure of greenhouse gas management performance includes emissions, reduction objectives and the status of implementation, as well as renewable energy usage and the status of implementation.	•Green production, happy company, and sustainability policies with commitment to compliance, risk control, pollution prevention, energy saving, waste reduction, and performance enhancement.	•Assessment of financial impacts resulting from climate change on a regular basis. •Greenhouse gas reduction objective, strategy, action plan, and effectiveness-tracking plan development.
Occupational Health and Safety	•Responsible for the integration and supervision of domestic and overseas factories' occupational safety and health management performances, and gradually establish a safety culture.	•Green production, happy company, and sustainability policies with commitment to compliance, risk control, pollution prevention, energy saving, waste reduction, and performance enhancement.	•Implementation of the ISO 45001 Standard for comprehensive production safety management including the 5S Workplace Methodology, Total Productive Management (TPN), and Safety Job Procedures(SJP). •Safety awareness developed by workers' full participation in their section and shift meetings to achieve zero work injury, with the Toyota Production System (TPS) and Kiken Yochi Training (KYT) in conjunction with simplified SJP for muscle memory enhancement to deal with high-risk jobs. Effective reward and punishment system implementation to improve environmental protection and occupational safety by strengthening executors' safety awareness and executives' determinedness to help decrease occupational accidents.

Material Issues	Management mechanisms and purpose	Policy / Commitment / Responsibility	Goals / Resources / Actions / Complaint Mechanisms
Product R&D and CleanTech Innovation	•Development of wind power generation, clean technology, and other green products to help degrease greenhouse gas emissions and air pollution to promote green economy development. •Reinforcement of intellectual property management to protect the freedom of business as well as R&D innovations.	•Ongoing improvement and innovation with commitment to green manufacturing process technology, and product development to create shared value with customers for sustainable business model development.	Complaint mechanism: •Irregular feedback through e-mail, letter, and phone communications •Irregular visits to customers •Customer service contact
Labor Relationship	•Through regular labor-management meetings and dedicated complaint channels, we promote communication between employers and employees to maintain harmony.	•Uphold the concept of total involvement, cultivate top tier talents and create a happy workplace.	•Resources: Employee intranet and e-newsletter, electronic bulletin board •Actions: Quarterly labor-management meetings •Channel for filing complaints: Employee complaints mailbox
Energy Management	•Walsin Lihwa continues review and improvement of energy consumption and costs to strengthen energy management intensity by its implementation of the ISO 14000 Environmental Management System, ISO 50001 Energy Management System, and ISO 14064 Greenhouse Gas Emission Inventory System.	•The environmental, safety, and health management policies of Walsin Lihwa are intended to effectively implement ongoing energy-saving and carbon reduction, develop towards green and circular production, set up power-saving and carbon reduction goals, make efficient and reasonable energy utilization, and decrease greenhouse gas emissions to cope with climate change challenges.	•Complete energy information platform implementation at the plants in Taiwan and Mainland China. •Set up energy and resource consumption reduction goals. •Promote various energy and resource consumption reduction projects and track implementation results on a regular basis, •Obtain the ISO 14001, ISO 50001, and ISO 46001 certifications.

Climate Action and Environment Management

nvironment

Sustainability Promotion Strategy: Strengthen resource management, decrease environmental impact, and pursue circular economy
Implementation Guidelines: 1 Strengthen energy and resource management and decrease operational impacts on the environment to help develop circular economy.
2 Energy Management for Energy Saving, Carbon Reduction, and Pollution Prevention.

Goals	2023 KPI			2023 Results	Implementation Plan for 2024
	Indicator	Objectives	Results		
Power Saving and Carbon Reduction Decrease carbon emissions by 10% in 2025 as compared to that in 2014	Power saving rate	1%	Taiwan: 1.54% Overseas: 1.77% Total: 1.64%	• Completion of overseas plants' greenhouse gas inventory and certification in compliance with the ISO 14064-1:2018 standard. • Solar power generation efficiency management and supervision of new solar power project implementation in Taiwan. • Green supply chain promotion focusing on the key suppliers whose carbon emissions are the highest 20% to gather their material carbon emission factor data.	Promote the 5-year carbon management plan • Complete the inventory of total carbon emissions and carbon emissions per unit product. • Promote green supply chain and low-carbon alliance, obtain the carbon coefficient of raw materials and develop low-carbon value chain. • Promote the new energy conservation plan • Complete the introduction and verification of the energy management system in Mainland China factories.
	Carbon reduction rate	1.5%	Taiwan: 1.83% Overseas: 2.24% Total: 1.98%		
Water Resource Management Decrease water consumption by 15% in 2030 as compared to that in the 2014 benchmark year	Water consumption per unit product	Water consumption per unit product 14m^3/t	Taiwan: 17.57 m^3/t Overseas: 3.07 m^3/t Total: 13.76 m^3/t	• Rationalization of water utilization with comprehensive solutions to water leakages. • Control and counseling of the 3 important water-saving solutions proposed by plants to decrease water consumption by 20%. • Ongoing optimization of wastewater and reclaimed water recycling.	Promote water resources management • Completed the water balance chart. • Establish water consumption management indicators per unit product. • Implement water conservation programs.
	Water balance and availability (%)	100%	Ongoing review of individual plants' water balance charts		
Strengthen Reuse, Recyclability, and Recovery	Reuse of furnace dust (tonne/month)	-	Reuse rate 100%	• Reduced the cost of furnace ballast resource treatment and established a regenerative acid recycling economy. • Established a channel for reduction and removal of ballast and conduct research on waste resource utilization. • Conducted research on the reduction of ballast, low-temperature vapor pressure and CLSM (Controlled Low-Strength Material) in the steelmaking process.	• Establish the strategic reuse technology and business model of furnace ballast. • Increase the amount of waste reused. • Promote projects to reduce the waste landfill rate in each factory area.
	Reuse of furnace slags (tonne/month)	3,000 (oxidized slags)	Reuse rate 100%		
	Waste recovery and reuse rate	≧ 95%	Taiwan: 97.98% Overseas: 90.10% Total: 95.61%		
	Regeneration and reuse of waste acids and reduction of sludge	Sludge <48kg/t	46.4kg/t	• Applied for and obtained the classification of regenerated acid as a reuse product from the competent authorities. • Obtained registration and sales qualifications for regenerated acid products. • Established an ARP (Acid Recovery Plant) circular economy model.	Through the establishment of environmentally friendly technologies, we will increase resource reuse projects and establish relevant business models.

Goals	2023 KPI			2023 Results	Implementation Plan for 2024
	Indicator	Objectives	Results		
Comply with environmental laws and regulations to completely avoid shutdowns and/or fines year to zero	Number of environmental pollution fines	0	Taiwan: 3 cases (Yenshui) Overseas: 0 case	• Improved the environmental protection management system in the plant and improved the efficiency of equipment responsible for treatment. • Require environmental management compliance and implementation of standardized operations in each plant area. • Provided guidance on compliance deficiencies in each plant and cultivated environmental protection talents.	Continue to improve the environmental protection management system in the plant, improve the efficiency of treatment equipment, implement standardized operations, comply with regulatory requirements, and cultivate environmental protection talents.
	Number of environmental pollution fines	0	None		

Highlight

Completed the construction of **E-Energy Management Platform** in Taiwan and Mainland China plants

133 carbon reduction plans, carbon reduction amount of **10,089.7** tonnes of CO_2e

Completed the construction of 4.9MWp solar power generation and grid-connected power generation of **1,054,868 kWh** in 2023

Water recovery rate of Taiwan Plants **>90%**

Nitrogen oxides (NOx) emissions of Taiwan Plants **▼ 7.13%**

Total suspended particulate (TSP) emissions of Taiwan Plants **▼ 20.66%**

Waste recovery rate **94.56%**

Recovery rate of non-hazardous waste **> 97.20%**

1.1 Climate Action (TCFD)

Materials Topics

Task Force on Climate-related Financial Disclosures (TCFD)

Walsin Lihwa is fully aware of the importance of the interactive impact of climate change on corporate sustainable operations, and has introduced the risk management methods recommended by the "Task Force on Climate-related Financial Disclosures (TCFD)". We also refer to the IFRS Sustainability Disclosure Standard No. S2 Climate-Related Disclosure to identify the financial impacts of climate change risks and opportunities on our operations, and promote various climate change mitigation and adaptation operations to continuously reduce risks, enhance resilience, and create opportunities for sustainable development.

Climate Change Governance

Walsin Lihwa's climate change governance and management framework is under direct supervision of the board, which monitors major climate risks and guides managementstrategies, important action plans, and goal achievements. The Sustainable Development Committee is responsible for sustainability policy and vision development as well as sustainability management and promotion. The committee reports the status of sustainability implementation related to climate change issues to the board on a regular basis. The Board of Directors appointed six members to the Sustainable Development Committee of the third term, in which Independent Director acts as the Convener. The Sustainability Office is responsible for planning and guiding the responsible departments to identify and manage climate change opportunities and risks, and also reports the trends of relevant issues, impacts, and implementation results to the committee on a regular basis. Relevant responsibilities for dealing with climate change are provided as follows:

Board of Directors	•The highest decision-making body for climate change risk management at Walsin Lihwa responsible for reviewing the Company's climate change management policy development and important decision-makings, and supervising the effective operation of climate change management mechanisms; and •Reviewing climate change opportunities and risks relevant to Walsin Lihwa to include them into the discussions of annual budgeting, business planning, and major capital expenditures.
Sustainable Development Committee	•Reporting climate change opportunity and risk assessment results as well as relevant work progress to the board every year; and •Implementing the climate change management policies reviewed by the board and important resolutions, with mitigation of climate change risks and effective exploration of relevant opportunities implemented by individual promotion centers under the committee.
Sustainability Office	•Staying updated on climate change development trends to help strengthen employee awareness of such trends; and •Identifying and assessing climate change opportunities and risks, arranging climate change discussions on a regular basis, convening risk management organizations to identify the physical and transition risks as well as opportunities related to climate changes and propose corresponding improvement measures, track the implementation status and relevant objectives on a regular basis, and continue strengthening the management of climate change opportunities and risks.

Management of Climate Change Opportunities and Risks

Climate Change Opportunity and Risk Identification Process

For effective management of climate change opportunities and risks, the Financial Management Center of Walsin Lihwa has included climate change risks into the tracking categories of overall corporate risk management to stay alert of the climate risks that may impact the Company. Such risks include relevant international laws and regulations as well as extreme climate events. Moreover, effective estimation of ensuing financial impacts and management costs enables dynamic adjustment of relevant management mechanisms to facilitate coping strategy development and strengthen the Company's operational resilience.

Possible impacts throughout the operating process are manifested by comprehensive climate risk assessments implemented together by individual departments. Education and training on global risk trends, climate change, TCFD developments and assessment framework, climate change scenario settings, as well as derived opportunities and risks strengthen employee awareness of global risk trends and climate change to help them identify related opportunities and risks under different climate change scenario settings and assess the possibilities of their occurrences as well as their impacts.

For climate risk management mechanism and coping strategy development, the Company convened its 2nd meeting focusing on the consolidated opportunities and risks. The Chairman of the Board, President, and other senior executives who understands the business process attended the meeting to determine the risk management decisions and the appropriate management strategies (reduction, transfer, acceptance, or control) for the high risk and high severity risks identified by each department.

1 TCFD workshop	Business-related climate change opportunity and risk factors listed by the Sustainability Office through scenario analysis and simulation with internal and external information factored in.
2 Consolidation of identification results	Climate change opportunity and risk factors related to individual business units consolidated by the Sustainability Office.
3 Matrix of climate change opportunities and risks	Calculation of the possibilities of climate change opportunities and risks as well as the degrees of impacts to develop the matrix of climate change opportunities and risks.
4 Coping strategy development	Coping strategies for material climate opportunities and risks developed by responsible units.
5 Financial impact calculation	Calculation of the financial impacts resulting from climate change risks and the costs for coping with such impacts by responsible units.
6 Indicator and objective development	Relevant indicators and objectives developed by responsible units to assess the effectiveness of coping strategy implementation.
7 Policy implementation	The Sustainability Office's annual tracking of climate management policy implementation and the Sustainable Development Committee's report of the implementation status to the board on a regular basis as a reference for performance tracking.

Assessment Criteria

Assessment of the Possibilities of Risks	Assessment of the Possibilities of Opportunities
Past risk experiences When risks will occur Possibilities of future risks	Past opportunity experiences When opportunities will arise Possibilities of future opportunities
Assessment of Risk Impact Degrees	**Assessment of Opportunity Impact Degrees**
Operational impact Reputational impact Personnel impact Forewarning Financial impact scale	Reputational impact Financial impact scale

Simulation Results of Risks and Opportunities

Walsin follows the TCFD guidelines and completes the identification of climate-related risks and opportunities with reference to four climate change scenarios.

Types of climate-related risks and opportunities	Evaluate response strategies and its scenarios	Scenarios
Transition risk Opportunity	•NDC: Nationally Determined Contribution of the Republic of China •IEA NZE 2050	•The Republic of China has set its own Nationally Determined Contribution to control global warming within 1.5° C, and companies face risks arising from the low-carbon transition. •Based on the analysis of scenarios provided by the International Energy Agency (IEA) Global Energy Outlook (WEO), a path is set to stabilize global warming at 1.5° C.
Physical Risk	•Global warming scenario SSP 3 - 7.0 in the IPCC Sixth Scientific Assessment Report •Global warming scenario SSP 5 - 8.5 in the IPCC Sixth Scientific Assessment Report	•Assess the climate risks that companies may face based on the scenarios used in the Sixth Assessment Report (AR6) released by the Intergovernmental Panel on Climate Change (IPCC) in August 2021. SSP3-7.0 is a high to medium emission scenario, and greenhouse gas emissions will peak around 2060. •The potential operational impacts on the Company and its value chain from climate change under the very high GHG emissions scenario SSP5 - 8.5, include increased variability in future average temperatures, extreme high temperatures, annual total rainfall, annual maximum 1-day storm intensity, annual maximum number of consecutive days of no rainfall and the proportion of severe typhoons.

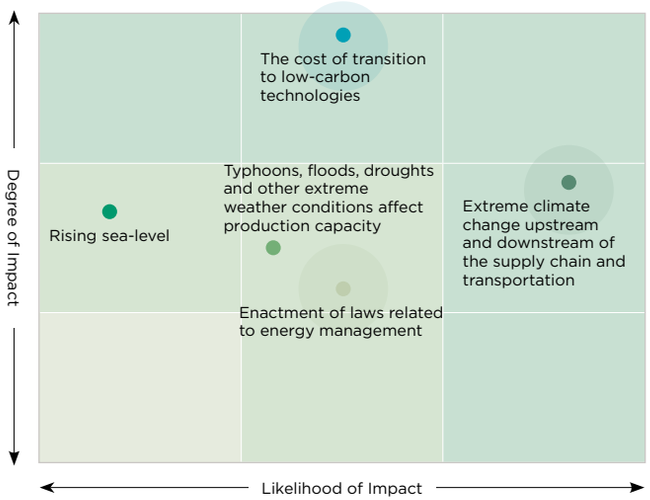
The identification process of climate change-related risks and opportunities

1. Establish climate change scenarios	2. Assess the impact on the operating environment	3. Identify climate risks and opportunities
Four climate change scenarios are set to assess climate-related risks and opportunities based on our operating conditions and locations.	Assess the impact of climate change on the operating environment and stakeholders	•Use the Risks and Opportunities form to identify climate-related risks and opportunities. •Establish a risk and opportunity matrix to identify climate change risks and opportunities.

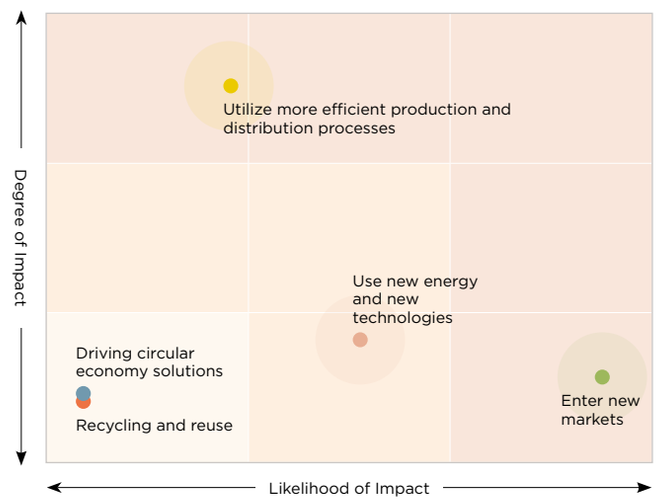
After completing the identification of climate risks and opportunities, three high-risk factors and three high-opportunity factors were identified based on the "possibility" and "impact degree" of the risks or opportunities. The risk matrix and opportunity matrix of climate change are as follows:

Managing climate change risks and opportunities

Matrix Diagram of Climate Change-related Risks



Matrix Diagram of Climate Change-related Opportunities



Tabulation of Identified Climate Change Risks

Risk Rankings	Numbering of Risks	Risk Types	Risk Factors	Durations of Occurrences
1	001	Acute physical risk	Upstream to downstream supply chains and transportation affected by extreme climate events	Short and medium terms
2	002	Transition risks including policy and regulatory risks	The cost of transition to low-carbon technologies	Medium term
3	003	Transition Risk-Technology	Greenhouse emission costs increased by policy and regulatory risks	Medium term

Note: Definition of time range: Short-term: 2023, mid-term: 2024-2025, long-term: 2026-2030

Tabulation of Identified Climate Change Opportunities

Opportunities Rankings	Numbering of Opportunities	Opportunities Types	Opportunities Factors	Durations of Occurrences
1	001	Resource efficiency opportunities	Utilize more efficient production and distribution processes	Short and medium term
2	002	Products and services	Enter new markets	Short, medium and long term
3	003	Energy source opportunities	Use new energy and new technologies	Short, medium and long term

Note: Definition of time range: Short-term: 2023, mid-term: 2024-2025, long-term: 2026-2030

Risk 001 Extreme climate change affects upstream and downstream supply chains and transportation

Impact: Frequent extreme weather events may result in supply disruptions, which in turn may affect product delivery schedules resulting in operational disruptions, the loss of specific customers or markets, and a decline in revenue.

Scenarios: The financial impacts on Walsin of increased extreme severe climates were assessed under the worst case scenario (SSP5-8.5) and the medium-high emission scenario (SSP3-7.0), respectively using the forecast data from the Taiwan Climate Change Protection Information and Adaptation Knowledge Platform (TCCIP) developed by the National Science and Technology Council and the National Science & Technology Center for Disaster Reduction.

Financial Impact Assessment: The Company evaluates the number of days that extreme weather may cause operational disruption and the severity of future extreme weather to calculate the degree of impact on revenue. After assessment, the potential financial impact does not reach the threshold of material financial impact as defined by the Company[Note].

Note: The Significant Judgments of Walsin Lihwa: (1) Profit or loss exceeding NT$300 million (2) Impacting the company's annual revenue by more than 10%

Risk Impact

Results in product delivery delays or supply chain disruptions, leading to a decrease in revenue:
The production stability of raw materials is affected by extreme climate. In particular, copper plates and copper strips are widely used as electrical conductor materials in various industries. If suppliers are unable to provide goods in a timely manner, products may not be shipped in accordance with customer demand, which may result in delayed delivery of products or even a disruption in the industry supply chain, leading to a decrease in operating revenue.

Extreme climate change increases transportation costs:
The occurrence of extreme weather will increase the risk of transportation interruptions. Transportation companies may reduce flight services as a result, and the Company will need to find alternative transportation methods, which will significantly increase additional transportation costs.

Breach of contract costs arising from failure to perform:
If the suppliers of raw materials are unable to fulfill their contracts and deliver the products, or if the suppliers cease production, it will adversely affect the Company's production and financial condition, and if this results in abnormal deliveries, it may even result in default costs and reputation risks.

Response Strategies

Strengthening supply chain resilience:
Enterprises implement supply chain management through supplier evaluation, auditing and counseling; and increase the source of raw material supply to improve the resilience of the supply chain.

Global layout:
Establish localized production or operation bases for key markets to shorten the supply chain, reduce transportation risks and improve service speed.

Risk 002 The cost of transition to low-carbon technologies

Impact: In order to promote low-carbon transformation, the Company continues to research and develop net-zero technologies and green low-carbon products, resulting in increased research and development costs; In addition, we are replacing traditional energy-consuming and carbon-emitting equipment and fuels with high-efficiency and low-emission equipment and fuels, which will result in increased capital expenditures and production costs.

Scenarios: Under the net-zero trend, operators in each industry have activated their net-zero emission strategies and are demanding a reduction in carbon emissions across the value chain, citing the NZE proposed by the IEA in the 2022 WEO report and the self-defined expected contribution of Taiwan respectively, to assess the potential financial impact on the Company.

Financial Impact Assessment: Taking into account the carbon tariff policies of various regions, including the European Union and the United States, the Company conducted an impact assessment on the operating revenues of the Stainless Steel Business group and the Wire and Cable Business group, and calculated capital expenditures related to clean technology and energy-saving equipment, and the research and development expenses for low-carbon products. After assessment, the potential financial impact does not reach the threshold of material financial impact defined by the Company[Note].

Note: The Significant Judgments of Walsin Lihwa：(1) Profit or loss exceeding NT$300 million (2) Impacting the company's annual revenue by more than 10%

Risk Impact

Do not provide low-carbon products, resulting in reduced revenue:
As market and consumer demand for sustainable products increases, companies' failure to provide low-carbon products may result in erosion of market share and a reduction in revenue. In this case, companies face the risk of being overtaken by competitors and losing its appeal to environmentally conscious consumers.

Increase in capital expenditure and operating costs due to entry into the low-carbon product market:
In order to develop and sell low-carbon products, companies need to invest additional R&D expenses to develop low-carbon products, including updating equipment, establishing new production lines, and investing in clean energy. At the initial stage of transformation, some low-carbon technologies are at the development stage and face immature or unstable technologies and higher operating costs for low-carbon technologies, resulting in higher overall operating costs.

The development and production of low carbon products has resulted in higher R&D and production costs:
Innovating and developing low-carbon products often requires additional research and development (R&D) investment, which includes not only research on new technologies, but also the cost of improving existing products to reduce carbon emissions. As new technologies transitions from concept to market, technical challenges and the risk of cost overruns may arise during R&D and production.

Response Strategies

Research and technical investment in the low carbon market:
We continue to evaluate the most promising low-carbon technology to maximize cost-effectiveness, including investing in innovative technologies that improve operational efficiency and harness renewable energy.

Enhancing research and production efficiency in low-carbon technology:
Use data analysis and automation technology to optimize production processes, accelerate product development, and reduce waste and costs through lean production. At the same time, we share resources and knowledge with partners to jointly develop low-carbon solutions and share R&D costs.

Driving circular economy solutions
Increase the use of steel scrap and stainless steel input ratio to more than 80% to reduce the consumption of raw materials and reduce operating costs; Reduce the consumption of raw acid materials in products, reduce the production of harmful industrial waste and the cost of resource recycling. Strengthening the recycling of waste cable materials and recyclable products is the best solution to reduce emissions and waste, provide customers with low-carbon emissions and environmentally friendly products, and create a win-win green energy application.

Risk 003 Policies and regulations increase the cost of greenhouse gas emissions

Impact: In response to the increasingly stringent regulations related to greenhouse gas reduction and the increase in greenhouse gas emission pricing, companies are levied carbon taxes and fees on greenhouse gas emissions generated during the purchase of renewable energy and operations, resulting in increased operating expenses.

Scenarios: Under the net-zero trend, operators in each industry have activated their net-zero emission strategies and are demanding a reduction in carbon emissions across the value chain, citing the NZE proposed by the IEA in the 2022 WEO report and the self-defined expected contribution of Taiwan respectively, to assess the potential financial impact on the Company.

Financial Impact Assessment: The Company assessed the current and estimated carbon price of each region based on the greenhouse gas emissions of the Taiwan and China plants, and confirmed that the potential financial impacts did not meet the Company's definition of material financial impacts based on the report "State and Trends of Carbon Pricing" published by the World Bank in 2022 [Note].

Note: The Significant Judgments of Walsin Lihwa：(1) Profit or loss exceeding NT$300 million (2) Impacting the company's annual revenue by more than 10%

Risk Impact

Increased costs of greenhouse gas emissions and increased operating expenses:
Governments of various countries have formulated carbon tax and carbon fee policies based on greenhouse gas emissions, and the company's operating locations are subject to supervision by different competent authorities. Taiwan's Climate Change Response Act will initially impose carbon fees on specific industries, which will increase Walsin Lihwa's operating expenses.

Response Strategies

Research and development of low carbon technologies:
In response to carbon reduction requirements, we are actively developing low-carbon products, including the development of low-carbon raw materials, low-energy-consuming production processes, the development and application of recycled raw materials, and the incorporation of life-cycle extension into product development considerations.

Improve production efficiency and energy efficiency:
Enterprises build smart and efficient factories, use low-carbon energy production equipment and consumables, and adjust schedules to maintain high energy efficiency of production equipment, improve production efficiency, save energy resource consumption, and reduce operating costs.

Construction capacity of renewable energy installations:
Set up renewable energy installations to enhance the capacity of enterprises to generate electricity from renewable energy sources.

Purchase renewable energy and carbon rights:
Purchase renewable energy, including green electricity such as solar and wind energy, or purchase carbon rights as offsets for greenhouse gas emissions to mitigate the financial impact of carbon taxes and fees.

Supply Chain Management:
Implement a 60% green supply chain plan with upstream suppliers; We also work with our customers to implement the 1+N Carbon Reduction Program with government resources to achieve the goal of upstream and downstream carbon reduction.

Introduction of Carbon Capture Utilization and Storage (CCUS):
Invest in carbon capture technology to capture greenhouse gas emissions emitted into the air during business operations.

Opportunity 001 Utilize more efficient production and distribution processes

Scenario of Impact: Establish high-efficiency factories, optimize manufacturing processes, introduce automation, and intelligent control of costs while increasing output efficiency and reducing operating costs.

Opportunities Impact	Response Strategies
Automation equipment reduces operating costs: By introducing advanced automation equipment and technology, companies can optimize the production process, improve production efficiency and quality, while reducing manual errors and labor costs. Automation technologies such as robot operating systems and intelligent monitoring systems can monitor production lines in real time, accurately adjust production processes, reduce energy consumption and waste of raw materials, thereby significantly reducing operating costs. **Improved energy efficiency reduces operating costs:** Investing in energy-efficient equipment and adopting energy-saving technologies can significantly reduce a business's energy consumption. For example, the use of energy-efficient lighting systems, high-efficiency heating, ventilation, and air conditioning (HVAC) systems, and optimized electrical and pump systems can reduce energy use and lower energy bills. In addition, the use of renewable energy, such as solar or wind energy, can not only reduce dependence on traditional energy, but also further reduce operating costs. **Calculate product carbon footprint to increase operating income:** Accurately calculating the carbon footprint of products and taking measures to reduce emissions not only helps companies achieve environmental goals, but also enhances brand image and attracts more consumers and investors who care about sustainable development. In addition, by participating in the carbon trading market, companies can earn additional income by selling emission reductions. This strategy not only helps to open up new revenue channels, but also encourages companies to further invest in low-carbon and environmentally friendly technologies, forming a virtuous cycle.	**Build capacity for self-sustained renewable energy installations:** By installing solar panels, we can reduce our reliance on traditional energy sources and energy purchase costs, help increase energy self-sufficiency, and reduce carbon emissions. **Increased utilization of diversified energy resources:** Flexibility and safety in energy utilization can be enhanced through a diversified energy mix, such as combining renewable energy sources and high-efficiency battery storage systems. A diversified energy strategy ensures the stability of energy supply in different operating environments, reduces the risk of fluctuations in energy prices or supply disruptions, and optimizes the energy cost structure. **Enhanced management of greenhouse gas emissions:** Regularly assess the carbon emissions in the production and distribution process, and implement energy conservation and emission reduction projects, such as improving equipment efficiency, optimizing production processes and logistics planning, to effectively reduce greenhouse gas emissions and improve overall operational efficiency.

Opportunity 002 Enter new markets

Scenario of Impact: Entering the renewable energy market, such as wind power, solar power, and electric vehicle market, to expand markets and customers and increase revenue.

Opportunities Impact	Response Strategies
Expanded sales volume and increased revenue: Through our own research and development capabilities, we are actively laying the groundwork for the clean energy industry, including wind power, solar power, and electric vehicles. As the value of the relevant industries grows year after year, the demand for the Company's existing products increases, which is conducive to the expansion of the Company's sales volume and revenue in the aforementioned industries. **Developing new industrial applications together with customers increases market expansion and facilitates entry into new markets:** We provide products in line with industry trends and work together with our customers to develop new industry applications, which not only help our customers to expand their business scopes, but also increase the adhesion between our customers and our company.	**Provide consulting services to help clients transform their industries and enter new markets:** Focusing on the existing supply chain, we work with our customers to provide end-user trials and technical support in the form of projects to enhance the end-user's understanding of the Company's brand and to seek opportunities for alternative materials. **Invest in marketing and publicity for emerging market development:** Utilizing the marketing team to conduct research on the relevant industries to map out the potential supply chain and attempt to develop it; At the same time, we make use of foreign trade associations and participate in domestic and foreign exhibitions to promote the brand name of Walsin Lihwa to the end-users.

Opportunity 003 Use new energy and new technologies

Scenario of Impact: The use of renewable, low-carbon energy sources reduces the risk of greenhouse gas emissions, which helps to lower the carbon footprint of our products, enhance their competitiveness in the marketplace, and increase operating income.

Opportunities Impact	Response Strategies
The use of renewable energy reduces greenhouse gas emissions, increases product competitiveness, and reduces the impact of carbon taxes and fees: Satisfy customers' requirements for green/low-carbon products, increase the use of renewable energy, reduce greenhouse gas emissions from operations, reduce the carbon footprint of products, increase product competitiveness, and grow sales revenue.	**Build capacity for self-sustained renewable energy installations:** Installation of solar energy capacity to increase the proportion of green electricity production; Evaluate the increase of renewable energy generation capacity, including wind power, biomass and hydrogen co-generation. **Capital investment to improve energy efficiency:** Evaluate the introduction of hydrogen combustion and oxygen-enriched combustion into heat treatment equipment.

Response Strategies to Climate Change

In response to the risks and opportunities brought by extreme climate, Walsin has actively launched various carbon reduction initiatives, established greenhouse gas reduction targets within the Group, created a green and low-carbon business model, and upgraded green processes and refined green products through continuous technological innovation and research and development capabilities.

Core Strategy	Action Plan
Green Production	•With the promotion strategy of "Committed to the development and innovation of green technology, applied to process energy saving, product performance, and industrial development" as the core, we are concerned about the future expansion of the "process and material" aspects, actively use "recycled and reusable" green raw materials (e.g., scrap metal), and continue to increase the content of recycled materials; We are also committed to "saving resources", "saving water", "saving electricity" and "reducing energy consumption" as the goals of green process development. For related content, please refer to "4.2 Green Products and Operations"
Renewable Energy	•Actively investing in the installation of diversified renewable energy power generation facilities and cooperating with renewable energy suppliers to increase the proportion of renewable energy usage. For related information, please refer to "1.2 Energy and Greenhouse Gas Management"
Green Operations	•Introducing intelligent equipment to improve efficiency and reduce waste, utilizing the Internet of Things (IoT) and equipment monitoring technology to grasp the status of production and sales and the production process, resolving the uncertainties between product design and manufacturing, and further reducing the use of raw material resources and carbon emissions. For more information, please refer to "4.2 Green Products and Operations".
Circular Economy	•Promote the recycling of waste resources and continue to develop diversified applications including reused products such as furnace ballast; We also implement water and energy recycling measures, such as recycling of cooling water for manufacturing processes and environmentally friendly equipment, reclaimed water reuse, waste heat recovery, etc. For related information, please refer to "4.2 Green Products and Operations".
Green Products	•To develop high performance products that are "net-zero carbon and sustainable" in order to fulfill our commitment to help our customers and end-users achieve their energy efficiency and carbon reduction goals. A total of 9.5MW HV cables for offshore wind turbines have been delivered in 2023. For related information, please refer to "4.2 Green Products and Operations".

Climate Change Related Indicators and Targets

Greenhouse gas reduction

Please refer to "1.2 Energy and Greenhouse Gas Management" for the progress towards achieving the net zero goal.

Green Products

For the goals and processes of green product-related R&D and applications, including clean technology product revenue and R&D investment, please refer to "4.2 Green Products and Operations".

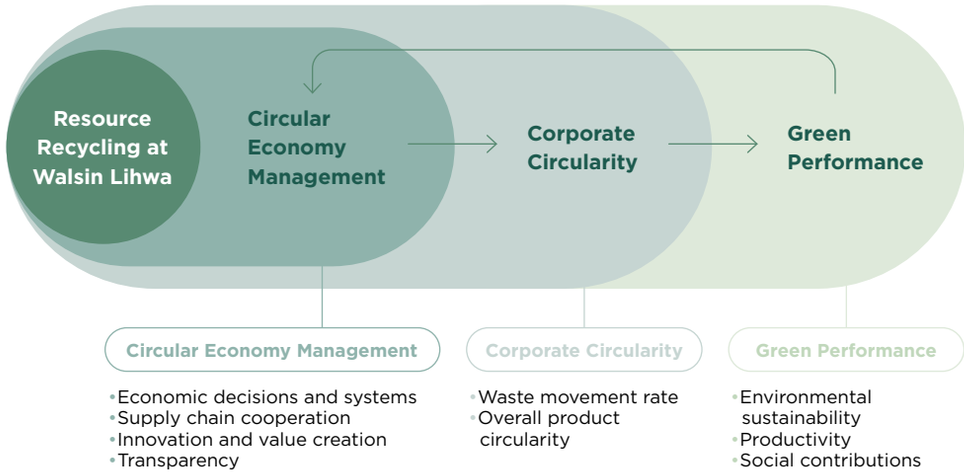
1.2 Energy and Greenhouse Gas Management

Materials Topics

1.2.1 Environmental and Energy Management Policy

Walsin Lihwa has formulated a series of policies and visions for carbon management, net zero and resource recycling in response to the issue of climate change. By increasing investment in software and hardware year by year in energy conservation, carbon reduction, resource recycling and strengthening sustainable green supply chain management, we are committed to establishing a more environmentally friendly and sustainable operating system. The structure is as follows:

Management at source	Use of green materials including scrap metals, renewable energy development such as solar power, and smart equipment implementation.
Manufacture process control and management and emission and pollution reduction	Chemical energy replacement of some electricity for electrical steel-making furnaces and manufacture process improvement, e.g., pure oxygen combustion to enhance equipment performance and yield.
Recovery and recycling	Waste recycling such as plastic pellets regenerated from waste plastics and regeneration of waste acids, water resource recycling such as reuse of cooling water from manufacture processes and environmental protection equipment, reuse of reclaimed water, energy recycling such as recovery of waste heat., and furnace slag processing for reuse.



Management System and System Construction

Walsin Lihwa has introduced management systems such as ISO 14001 environmental management system, ISO 50001 energy management system, ISO 14064 greenhouse gas inventory, ISO 14067 product carbon footprint and ISO 46001 water resource efficiency management system. Through a comprehensive environmental management system, we strengthen energy resource management, improve resource utilization efficiency, reduce the impact of operations on the environment, and move towards a circular economy.

Production and operation bases have passed ISO management system standards coverage related to environmental sustainability

Verification Standards	Areas/Plants of Coverage	Certification Authorities
ISO 14001 Certificate of Environment Management System	Taiwan, mainland China, Malaysia and Italy	For details, please see the certificates on the Company's official website
ISO 14064 Certificate of Greenhouse Gas Accounting and Verification	Taiwan, mainland China, Malaysia and Italy	
ISO 50001 Certificate of Energy Management System	Taiwan, Shanghai Walsin, Yantai Walsin, CAS	
ISO 46001 Certificate of Water Efficiency Management Systems	Taichung Plant	

Environmental Protection Expenditure in 2023

Walsin actively introduces advanced recycling equipment and combines a number of management systems and methods to reduce the negative impact of production activities on the environment, including reducing emissions and improving recycling rates. We also introduced a complete environmental monitoring system to inventory potential contaminated areas and take preventive and improvement measures in advance.

Total expenditure on environmental protection equipment and expenses in 2023 is **NT$1,465,410,511**

	Taiwan		Mainland China		Malaysia	
	NT$	%	RMB$	%	MYR$	%
Equipment	82,159,000	14%	157,414,508	80%	0.0	0%
Management	497,770,177	83%	26,134,407	13%	17,335.2	51%
Others	17,151,988	3%	13,300,429	7%	16,462.5	49%
Total	597,081,165	100%	196,849,344	100%	33,797.7	100%

1.2.2 Energy Saving and Carbon Reduction Management

In order to achieve the company's "net-zero carbon emissions" goal, Walsin not only applies scientific methods to set reduction targets and take measures, but also combines external supply chains to jointly promote energy management and carbon management.

Carbon Management Objectives at Walsin Lihwa

Step1	Step2	Step3		Step4
Import carbon inventory	**Set reduction goals**	**Implement a reduction strategy**		**Achieve carbon neutrality/net zero carbon emissions**
Greenhouse Gas Inventory (Organizational Inventory)	Set short, medium and long-term goals	Implement carbon reduction strategies and track its progress		Carbon neutrality declaration
•Greenhouse Gas Inventory (ISO 14064) •Product Carbon Footprint Inventory (ISO14067) •Obtain third-party verification	•Establish reduction targets and scope •Inventory of energy hot spots and reduction potential (ISO 50001) •Cultivate carbon reduction talents •Green supply chain •Low Carbon Alliance	•Corporate procurement of green electricity •Internal carbon pricing and management strategies •Low carbon supply chain strategies	•Replace energy-saving equipment •Innovative and optimized process •Use low carbon fuels	•Purchase carbon rights or develop carbon capture technology •Confirm the effectiveness of reduction

2017

Guidance to ISO 50001:2011 Energy Management System Implementation

- Guidance to ISO 50001:2011 implementation provided by an energy consultancy to Taiwan plants

2018

Certification to the ISO 50001:2011 Energy Management System

- Taiwan plants
- Shanghai Walsin and Yantai Walsin

2019

Energy Management System Maintenance and Guidance to a New Version of ISO 50001:2011

- Energy management in accordance with ISO clauses at Taiwan and overseas plants

2020

ISO 14046:2018 Implementation

Certification to the new ISO 50001:2018 Energy Management System

- Taiwan plants
- Shanghai Walsin and Yantai Walsin
- ISO14064-1:2018 certification at all the Taiwan plants
- ISO 50001 implementation at all the overseas plants

2021

ISO14064-1:2018 Certification Greenhouse Gas Protocol Certification (Scope 3)

- ISO14064-1:2018 certification at all the Taiwan plants
- ISO 50001 implementation at all the overseas plants

2022

- Green supply chain
- Product carbon footprints at individual pants

2023

- Implementation of the new ISO 14064-1:2018 standard at the overseas plants.
- Low carbon alliance plan launched

2024

- ISO 50001:2018 implementation at all the overseas plants
- Implementation and adaptation of CBAM
- Greenhouse gas inventory for PT. Walsin Nickel Industrial Indonesia

2030

Renewable Energy Implementation

2040

Low-carbon Technology Implementation

- Carbon sinking
- Development of alternative fuels
- Carbon negative development
- Use of new energy and electric vehicles

2050

Net Zero

Energy Efficiency Management

The order of energy consumption in 2023 is electricity, natural gas, gasoline, diesel, and purchased steam.; The total calorific value of direct energy and indirect energy is 10,325.69x10^3GJ, the proportions are 39.82% and 60.18% respectively. The energy usage and calorific value proportion of each product are as follows:

Energy Consumption by Individual Business Groups in 2023

Unit：GJ=10^9J

	Category	Wire and Cable (Asia)	Stainless Steel (Asia)	Stainless Steel (Europe)	Total	%
Indirect Energy	Outsourced electricity	398.80×10^3	4,931.08×10^3	851.58×10^3	6,181.46×10^3	59.86%
	Outsourced steam	0.00	33.45×10^3	0.00	33.45×10^3	0.32%
Direct Energy	Petroleum	0.00	0.00	0.18×10^3	0.18×10^3	0.00%
	Diesel	5.25×10^3	24.95×10^3	12.56×10^3	42.76×10^3	0.41%
	Fuel oil	0.00	0.00	0.00	0.00	0.00%
	Automotive petroleum	0.55×10^3	3.00×10^3	0.00	3.55×10^3	0.03%
	Automotive diesel	1.19×10^3	11.22×10^3	0.00	12.41×10^3	0.12%
	Liquefied petroleum gas	0.34×10^3	0.76×10^3	0.82×10^3	1.19×10^3	0.01%
	Natural gas	205.65×10^3	2,467.67×10^3	1,376.74×10^3	4,050.05×10^3	39.22%
	Ethyne	1.34×10^3	0.10×10^3	0.00	1.44×10^3	0.01%
	Total	613.09×10^3	7,472.24×10^3	2,241.15×10^3	10,326.48×10^3	100.00%

Note 1: Energy consumption = Fuel consumption x Fuel caloric value (based on the Bureau of Energy's 2014 manufacturing industry annual audit report)

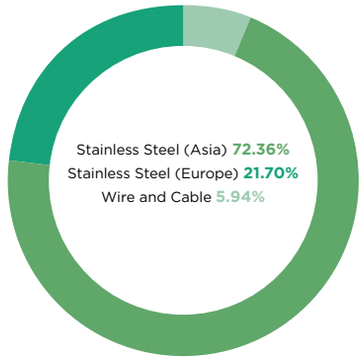
Note 2: The above information refers to the statistics of the Wire and Cable (Yangmei Plant, Hsinchung Plant, Shanghai Walsin), Stainless Steel (Yenshui Plant, Taichung Plant, Yantai Walsin, Changshu Walsin, Jiangyin Walsin (Specialty Alloy Materials), and Walsin Precision) and stainless steel (CAS) products in Europe

Note 3: None of the above is renewable energy

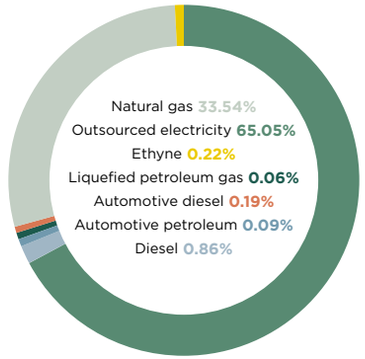
Note 4: Dongguan Walsin and Jiangyin Walsin (steel cable) production have ceased productions in September 2023, and the total calorific value from January to September was 65.72×10^3GJ and 181.58×10^3GJ

Types of Energies Consumed

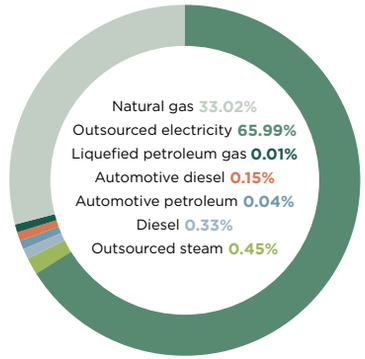
Energy consumption by product category



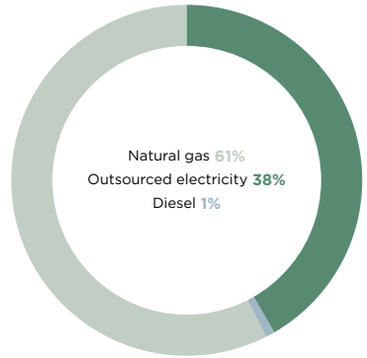
Wire and Cable



Stainless Steel (Asia)



Stainless Steel (Europe)



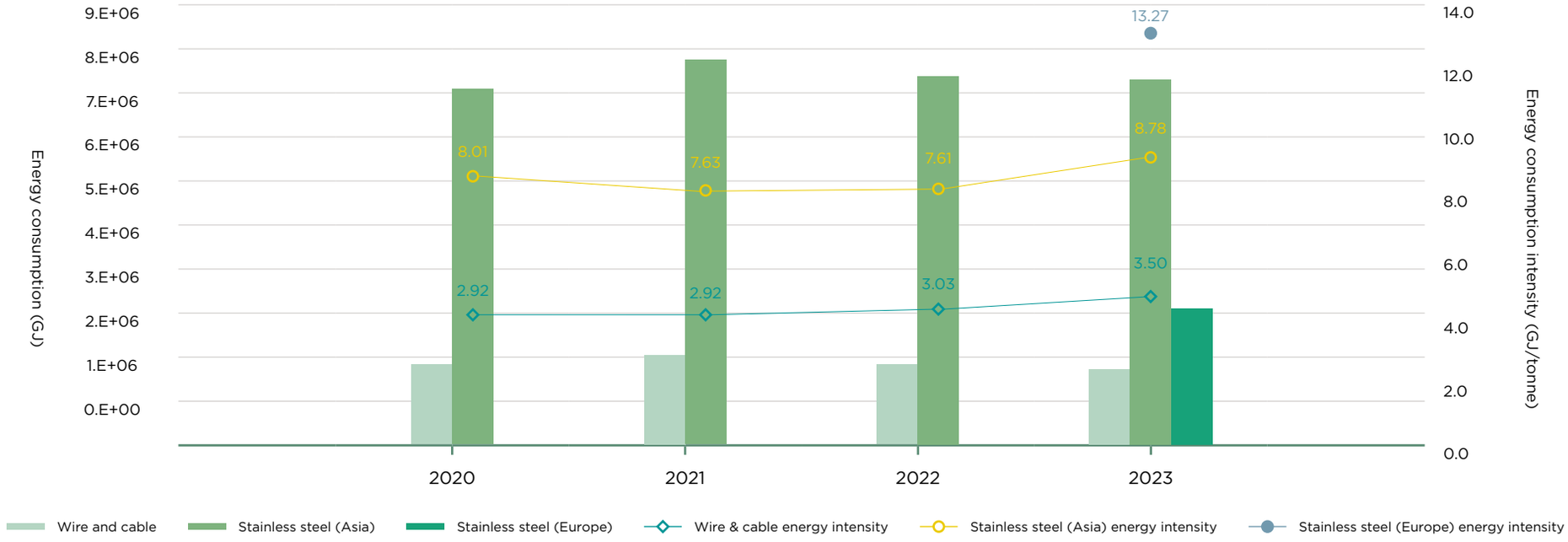
Stainless Steel (Asia) Stainless Steel (Europe) Wire and Cable

Natural gas Outsourced electricity Ethyne Liquefied petroleum gas Automotive diesel Automotive petroleum Diesel Outsourced steam

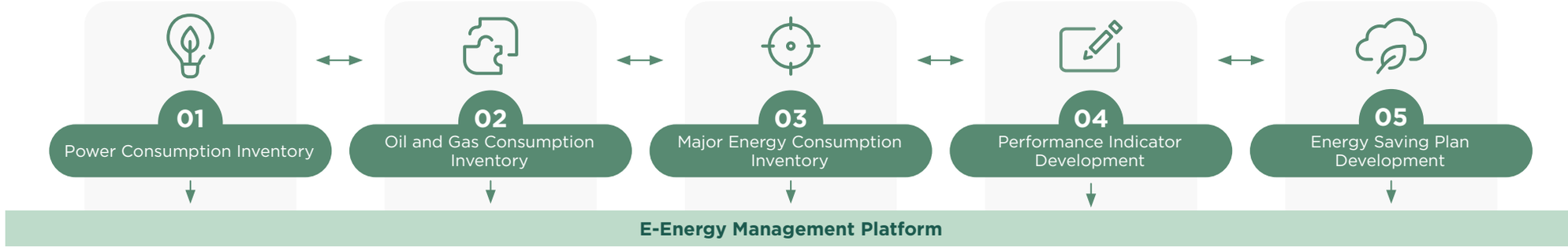
Types of Energies Consumed

Products	2020			2021			2022			2023		
	Gross heating value (GJ)	Output (tonne)	Energy Intensity[Note]	Gross heating value (GJ)	Output (tonne)	Energy Intensity[Note]	Gross heating value (GJ)	Output (tonne)	Energy Intensity[Note]	Gross heating value (GJ)	Output (tonne)	Energy Intensity[Note]
Wire & Cable	872,819.25	298,480.1	2.92	992,812.80	339,741.4	2.92	865,414.55	285,663.6	3.03	612,715.36	175,195.4	3.50
Stainless Steel (Asia)	7,246,262.27	904,843.3	8.01	7,680,406.05	1,006,523.3	7.63	7,515,011.30	988,054.3	7.61	7,472,243.04	851,064.8	8.78
Stainless Steel (Europe)										2,241,149.78	168,889	13.27

Note 1: The energy intensity of stainless steel and wire and cable operations is gross heating value (gigajoule) / output (tonne)
Note 2: Heat values are based on the unit heating values of energy products in the 2014 energy statistic handbook.
Note 3: A gigajoule is 10^9 joules.
Note 4: Disclosure of CAS information from 2023.



In line with the national energy-saving goals, we will continue to promote various energy-saving measures, optimize the energy management E-system platform and conduct comprehensive inspections. In 2023, all plants in Taiwan and overseas completed the construction of the ISO 50001 energy management system platform and setting of various equipment performance indicators. We plan to pass system verification annually, and use the energy management platform to explore key indicators for hot spot analysis to find opportunities for energy conservation and carbon reduction. In 2023, the unit product emission intensity of wires, cables and stainless steel in Asia increased by 15% compared with 2022 (due to changes in product structure), and the total calorific value decreased by 4% compared with 2022. The energy consumption reduction target per unit product in 2024 is set to decrease by 1.5% compared with 2023.



Comprehensive Energy Saving and Carbon Reduction

Since 2015, each factory has established an energy-saving and carbon-reducing management organization, set annual goals and various energy-saving and carbon-reducing measures, held regular meetings to review and built an E-system for energy management for real-time management.

In 2021, 5.5 MWp of renewable energy (solar energy) was planned for self-use, and 4.9 MWp of grid-connected power generation capacity of 1,054,868 kWh has been completed in 2023; The remaining 0.6 MWp of solar energy is expected to be completed in 2024.

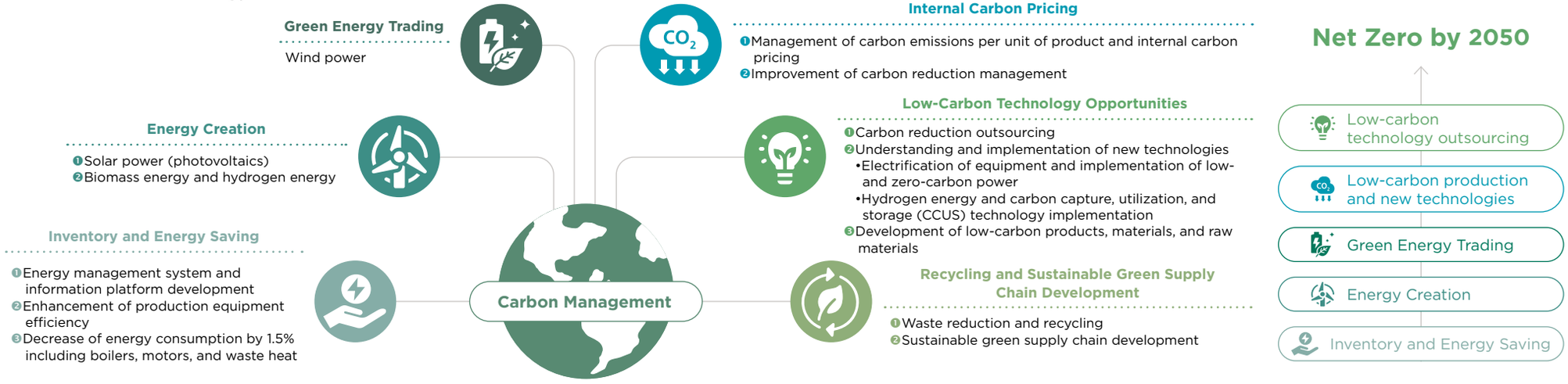
In 2022, the Environmental, Safety and Health Management Committee adjusted the five-year energy management plan on a rolling basis and set an annual power saving and carbon reduction target of 1.5%.

In 2023, all four factories in Taiwan met the 1% annual power saving rate requirement of the Energy Bureau of the Ministry of Economic Affairs, with an average power saving rate of 1.54%. Taiwan and oversea plants have proposed a total of 133 carbon reduction plans, with a total energy saving rate of 1.64%. Total carbon reduction is 10,089 tonnes CO_2e in the Asian region and 2,405 tonnes CO_2e in the European region (across 4 carbon reduction initiatives).

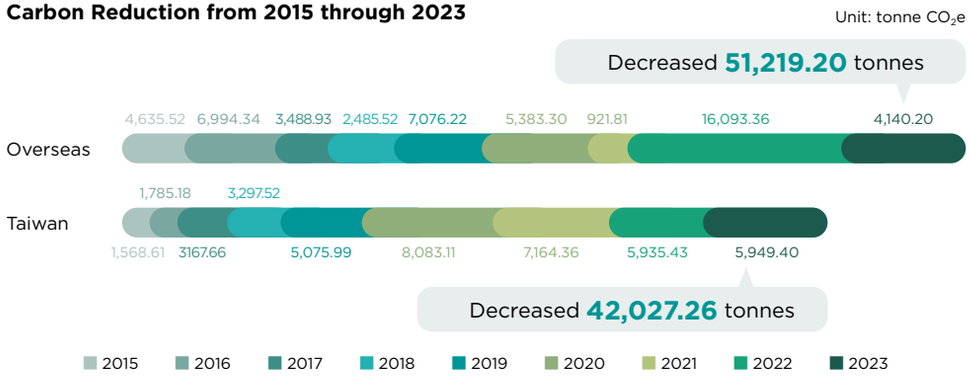
Power Saving Rate
1.64%

Renewable Energy (Solar Energy)
1,054,868 kWh

Net Zero Promotion Strategy



Carbon Reduction from 2015 through 2023



Outstanding Manufacturer for Voluntary Greenhouse Gas Reduction

Each Walsin Lihwa plant sets reduction targets and implements relevant measures, and combines external supply chains simultaneously to jointly promote energy management and carbon management. In 2023, the carbon reduction performance of the Taiwan factory was 5,949 tonnes of CO_2e, which received the title of "Outstanding Manufacturer of Voluntary Industrial Greenhouse Gas Reduction in 2023" by the Ministry of Economic Affairs.

Energy Saving at Walsin Lihwa in 2023

Area	Solution	Energy type	Number of solutions	Amount saved	Energy saving (Megajoule)	Carbon reduction (tonne CO_2e)	Cost saved
Taiwan	Manufacture and office	Electricity (Kilo kWh)	93	5,884	50,978,976	2,965	NT$ 166,313,141
		Natural gas (Kilo cubic meters)	11	379	14,276,930	1,880	
		Other (tonne)	2	306,915	-	1,104	
	Total		106	-	65,255,906	5,949	
Overseas (Asia)	Manufacture energy saving	Electricity (Kilo kWh)	18	4,195	36,345,480	2,713	RMB$ 15,144,679 MYR$ 34,526 (Equivalent to NT$ 67,350,933)
		Natural gas (Kilo cubic meters)	8	632	14,276,930	1,309	
		Steam (tonne)	1	488	1,344,928	118	
	Total		27	-	51,967,338	4,140	
Overseas (Europe)	Manufacture energy saving	Electricity (Kilo kWh)	2	2,568	9,245	1,153	EUR€ 144,318 (Equivalent to NT$4,862,073)
		Natural gas (Kilo cubic meters)	2	630	22,227,030	1,252	
	Total		4	-	22,236,275	2,405	

Note 1: The CO_2e emission equivalent is calculated based on the emission coefficients of electricity, natural gas, petroleum, steam, diesel, and/or others used at individual sites.
Note 2: Scope one: Natural gas, diesel, and others. Scope two: Electricity and purchased steam.
Note 3: The emission amount before equipment replacement or renovation and manufacture process adjustment is the benchmark for carbon reduction calculation.
Note 4: Decreased energy consumption = Amount of energy saving x Caloric value (based on the Table of Heat Content of Energy Products in the Burau of Energy's 2014 Energy Statistics Handbook).
Note 5: The base year is 2014.

The total savings amount to **NT$238,526,147**

Greenhouse Gas Inventory

Environment, Health, and Safety Information Platform

In 2015, Walsin Lihwa started to implement and optimize its environment, health, and safety information system for greenhouse gas inventory and product carbon calculation by gathering data on greenhouse gas emissions at its individual plants for the Environment, Health, and Safety Committee to conduct quarterly reviews of how such emissions are managed.

ISO 50001 Energy Management System	In 2018, the plants in Taiwan started to adopt the ISO 50001 standard based on which there is 5-year energy management program from 2022 to 2027 for dynamic reviews of the status at individual plants every year. The ISO 50001 and ISO 14064-1 will be implemented step by step by taking into account of both production and environment, health, and safety improvement at the plants.
ISO 14064-1 Greenhouse Gas Inventories	In 2015, the Taichung Plant and Yenshui Plant passed ISO 14064-1 certification; In 2020, the Hsinchuang Plant and Yangmei Plant, and overseas factories in 2022, introduced the ISO 14064-1:2018 standard and conducted internal greenhouse gas emissions inventory; In 2023, the Taiwan and oversea plants completed the ISO 14064-1:2018 verification.
ISO 14067 Product Carbon Footprint Standard	In 2023, four plants in Taiwan completed the ISO 14067:2018 product carbon footprint inventory, and two products of the Hsinchuang Plant completed the third-party product carbon footprint verification.

Company-wide Carbon Disclosure Timeline

	2022	2023	2024	2025	2026	2027
Execution of Company-Wide Inventory Plan	**Inventory** Fully completed for Taiwan plants in 2021. Fully completed for mainland China and Malaysia plants in June 2022 **Verification** All plants in Taiwan have been verified	**Inventory** Waltuo Green Resources Corp. **Verification** Plants in mainland China and Malaysia have been verified	**Inventory** PT. Walsin Lippo Kabel PT. Walsin Lippo Industries PT. Walsin Nickel Industrial Indonesia **Verification** Cogne Acciai Speciali S.p.A	**Verification** Waltuo Green Resources Corp. PT. Walsin Lippo Kabel PT. Walsin Lippo Industries PT. Walsin Nickel Industrial Indonesia		
Regulatory Requirements		Year of Inventory Regulations (Taiwan)	Year of Verification Regulations (Taiwan)	Year of Inventory Regulations (Subsidiary)		Year of Verification Regulations (Subsidiary)

In addition, Walsin continues to pay attention to the development of Emission Allowance, EU border taxes, Taiwan carbon fees and the development of internal carbon pricing, and participates in the operation of the mainland carbon trading market to ensure future carbon quotas and the Company's sustainable operation and development.

2023 Greenhouse Gas Inventory Plan for Oversea Plants

August

Kickoff Meeting
8/16 The Mainland China plants and the Malaysian plants conducted the first educational training

September

Boundary Setting
Report boundaries are set to Scopes 1 to 4.

Emission Source Identification
This time, upstream and downstream transportation and waste transportation for Scope 3, and raw material carbon emissions and waste treatment for Scope 4 have been added.

October

Calculation of Emissions
The simapro software database is used for coefficients for Scope 3 and 4.

November

Internal Audit
Internal data audit is expected to be completed in mid-to-late November

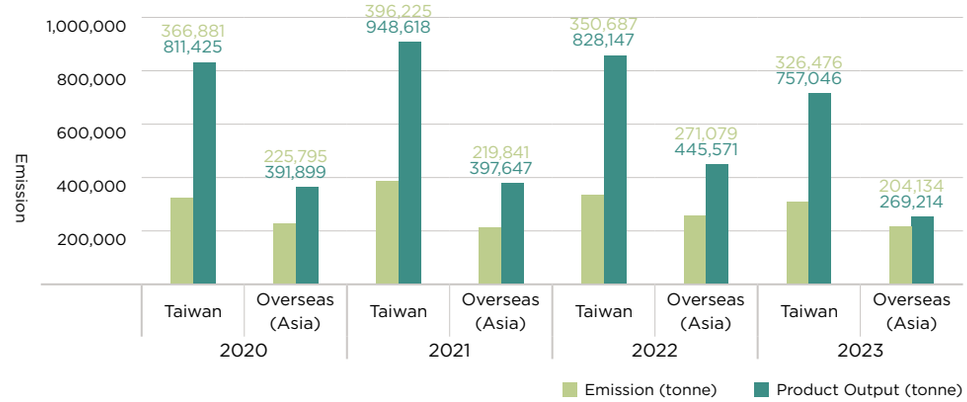
December

External Audit
External audit and three-party verification have been completed at the end of December

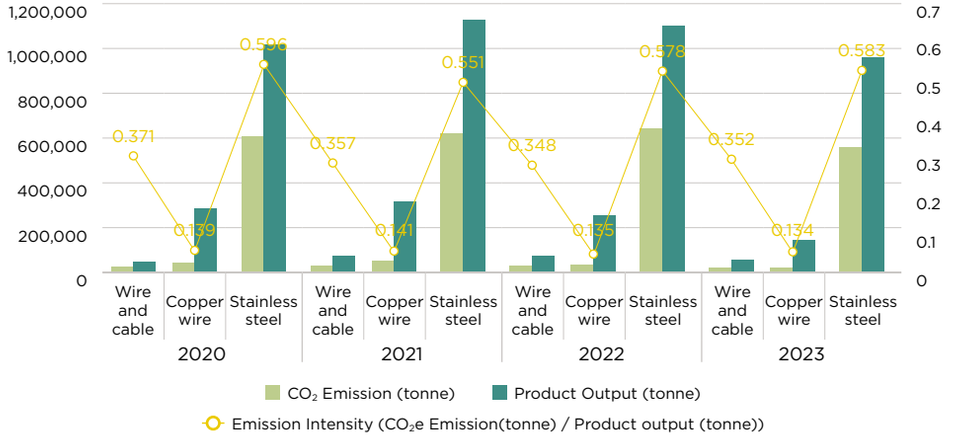
Completed

Plant Inspection:Shanghai Walsin, Jiangyin Walsin (Specialty Alloy Materials), Changshu Walsin, Yantai Walsin, Walsin Precision

Greenhouse Gas(GHG) Emission



Greenhouse Gas Emission Intensity of Each Product (Taiwan and Overseas(Asia))



Product Carbon Footprint Verification at Taiwan Sites

Green Products

Establish product carbon footprint factors and develop green product and sustainable development strategies in response to domestic and overseas regulations as well as customer demand for green product information.

Regulatory requirements and what are highly inquired by customers

Individual plants' selection of product carbon footprint projects	
Yenshui Plant	9
Taichung Plant	7
Hsinchung Plant	2
Yangmei Plant	2

Process	Schedule
Greenhouse gas inventory list revision	2023/5-10
Energy consumption distribution principle setup	2023/5-10
Suitable energy consumption distribution principle selection	2023/5-10
Product carbon footprint calculation	2023/6-11
CBAM Calculation	2023/11-12

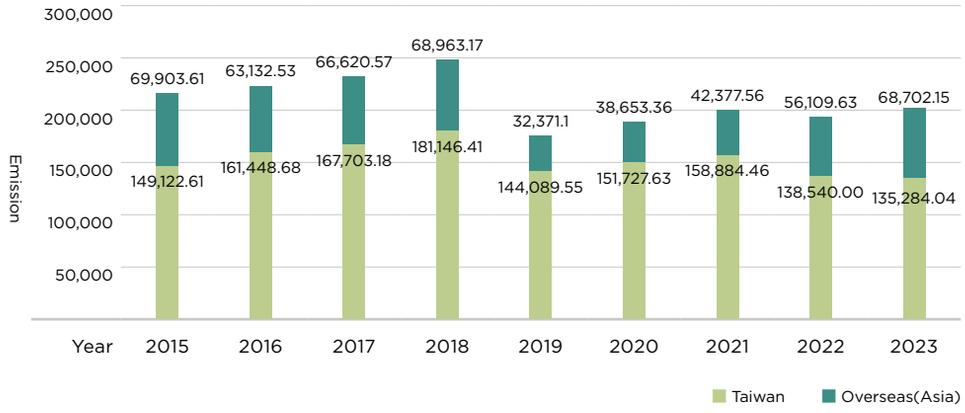
Greenhouse Gas Emission (Scope 1 and Scope 2)

Since 2014, we have promoted greenhouse gas emission intensity inventory and various energy reduction plans. The emission intensities of Taiwan plants and oversea plants in 2023 (excluding commercial real estate) classified according to product characteristics (wires and cables, copper wires, stainless steel) were 0.352, 0.134 and 0.584, respectively; Decreased by 4.9%, decreased by 4% and decreased by 2.1% respectively compared to the base year[Note]; In terms of overall greenhouse gas emissions, the total emissions of Taiwan and oversea plants decreased by 6.9% and 24.61% compared with 2022 (oversea plants in Jiangyin Walsin (Steel Cable) and Dongguan Walsin ceased production from September 2023).

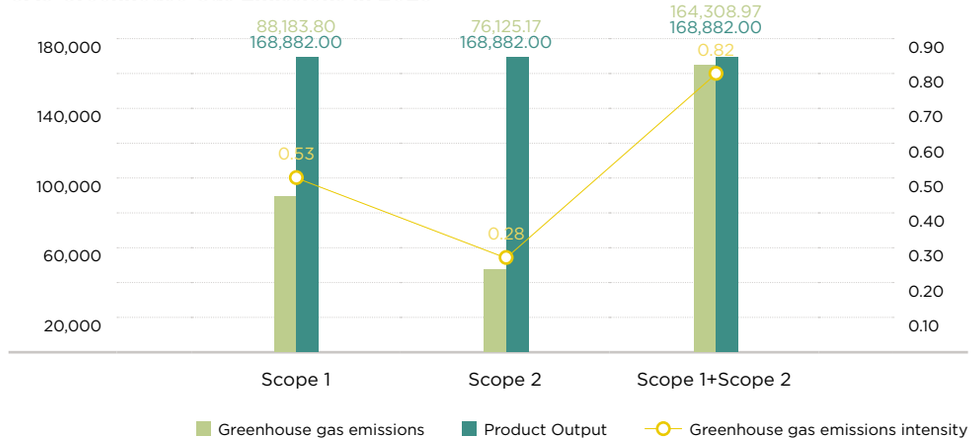
Walsin Lihwa shall continue seeking each and every possible emission reduction solution to reduce greenhouse gas emissions per unit of product by 15% in 2030 as compared to that in 2014 to help expedite low-carbon economy development.

Note: 2014 used to be the benchmark year for comparison of greenhouse gas emissions at Walsin Lihwa but the benchmark year is now 2020 because of product structure considerations and a plant sale.

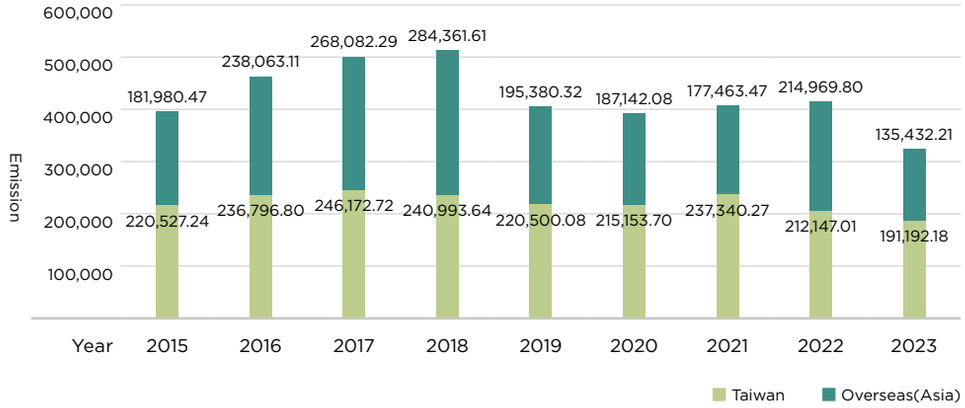
Scope 1: Direct Greenhouse Gas (GHG) Emission



CAS Greenhouse Gas Emissions in 2023



Scope 2: Indirect Greenhouse Gas (GHG) Emission



Note 1: Scope One and Two refer respectively to direct and indirect energies, while greenhouse gas (GHG) emission includes CO_2, N_2O,CH_4, HFCs,SF_6.

Note 2: Taiwan sites included: Yangmei plant, Hsinchuang plant, Yenshui plant, Taichung plant.

Note 3: Asia sites included: Shanghai Walsin, Yantai Walsin, Changshu Walsin, Jiangying Walsin (Specialty Alloy Materials), Walsin Precision.

Note 4: Europe site: Cogne Acciai Speciali S.P.A. (CAS)

Note 5: The unit of emission is CO_2 emission expressed in tonnes and the unit of intensity is CO_2 emission expressed in tonnes/ product output expressed tonnes.

Note 6: The emission coefficient is based on the 6.02 version of the greenhouse gas emission coefficient management table (IPCC 2nd Assessment Report in 1995) published by the Environmental Protection Administration for self-auditing. Global warming potential (CWP) is dealt with by the operational control method.

Note 7: 2014 is the company's benchmark year for energy saving solution implementation.

Note 8: Scope Two emission is calculated by the location-based method.

Greenhouse Gas Value Chain Inventory (GHG Scope 3)

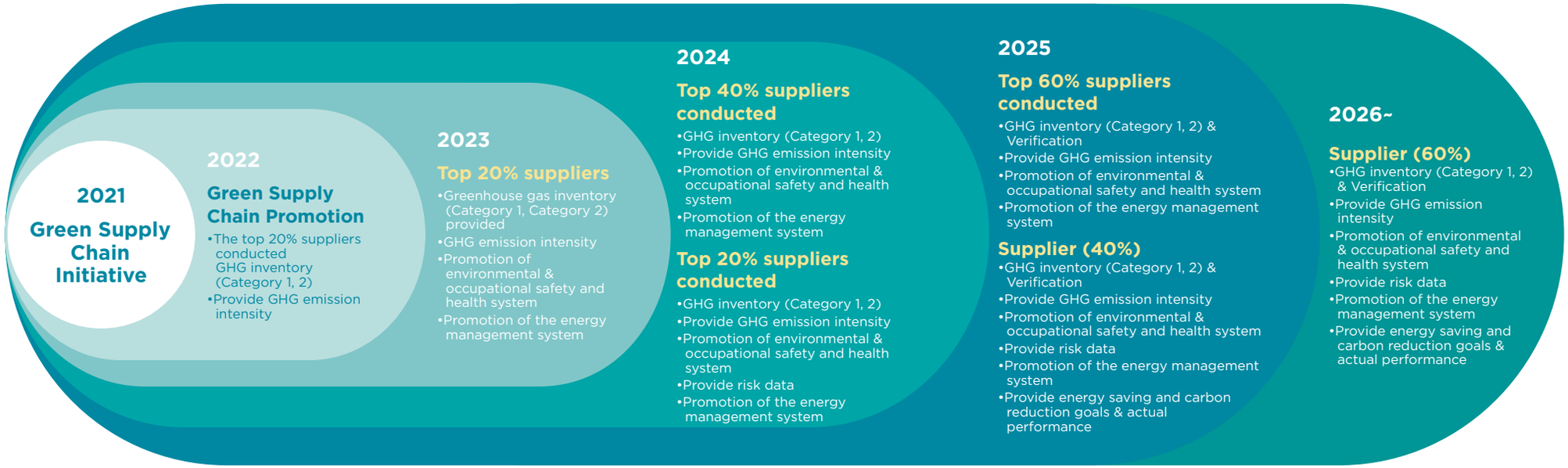
Walsin Lihwa follows ISO 14064:2018, GHG Protocol and third-party verification to identify carbon emission activities in the value chain as a reference for formulating emission reduction strategies. In 2023, we established the Walsin Lihwa Low Carbon Alliance and promoted the sustainable supply chain plan. Together with our value chain partners, we are building a sustainable business model.

In the 2023 greenhouse gas inventory scope 3 project, Walsin adopted the materiality identification standard criteria to identify upstream raw material emissions from purchased products and services, upstream emissions from fuel and energy-related activities, and disclosure areas in Scope 3, taking into account evaluation factors such as emissions, improvement potential, and quantification methods.

	GHG Protocol	ISO 14064-1:2018	Taiwan sites (tonne CO_2e)	Overseas sites (tonne CO_2e)
Scope 3	Category 4: Emission categories from Upstream Transportation and Distribution	Category 3: Indirect Greenhouse Gas Emissions from Transportation	109,684.67	74,840.48
	Category 7: Employee Commuting			
	Category 9: Downstream Transportation and Distribution			
	Category 3: Emissions from fuel and energy related activities (not covered by Scope 1 or 2)	Category 4: Indirect greenhouse gas emissions generated by products used by an organization	2,102,479.49	2,035,642.18
	Category 5: Disposal and Treatment of Waste Generated from Operations			

Note 1: Taiwan sites included: Yangmei plant, Hsinchuang plant, Yenshui plant, Taichung plant.
Note 2: Asia sites included: Shanghai Walsin, Yantai Walsin, Changshu Walsin, Jiangying Walsin (Specialty Alloy Materials), Walsin Precision.

Promotion of the Green and Sustainable Supply Chain and Walsin Low Carbon Alliance



Compliance with environmental, safety and hygiene/energy

The coverage of Walsin plants and suppliers has been expanded to full coverage year by year.

1.3 Waste Management

Materials Topics

1.3.1 Air Pollution Control and Amount of Pollutant Emission

Materials Topics

In order to implement pollution control, the best process technology and air pollution control facilities are adopted. During the factory construction stage, air pollution control facilities are designed using the Best Available Technology and Control Technology (BACT); During the production and operational stages, the optimal air pollution control equipment is used to reduce exhaust emissions.

Air Emission Intensity Target Value

Base Year: 2014
Unit: tonnes/thousand tonnes of product volume

	2025	2030
NOx	0.15	0.09
SOx	0.03	0.01
TSP	0.15	0.01

The Company requires that all air pollutant emissions in the plants must comply with environmental regulations and promote reduction projects. The Company's regulated air pollutants include nitrogen oxides, sulfur oxides, particulate matter and volatile organic compounds. In 2023, Taiwan factory emissions decreased by 7.13% compared with 2022, particulate matter emissions decreased by 20.66%, and volatile organic compounds decreased by. 8%. The emissions of sulfur oxides, nitrogen oxides and particulate matter from overseas factories all increased compared with last year. The main reason was that the Yantai factory added a steel rolling mill. Overall, oversea plants have adjusted their product structure and Dongguan and steel cable factories have stopped production and increased CAS. Therefore, the overall emission intensity has also increased compared with 2022 due to this change in production structure.

Among the various pollutants, non-emitting volatile organic compounds are not items controlled by the competent authority and do not require numerical testing due to its industrial characteristics. In 2023, all other emission concentrations will be far below regulatory standards, with the most significant reduction in the intensity of particulate pollutants.

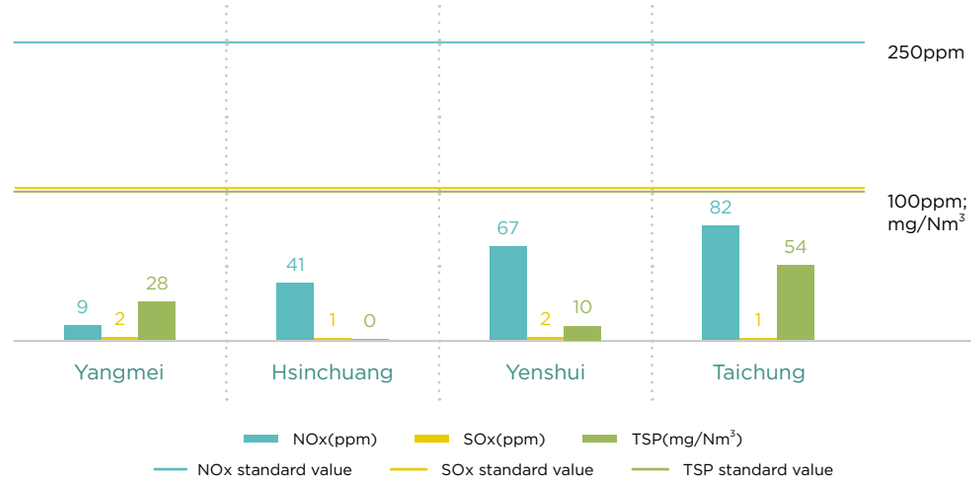
NOx emission intensity (Taiwan plants)

▼ 7.13%

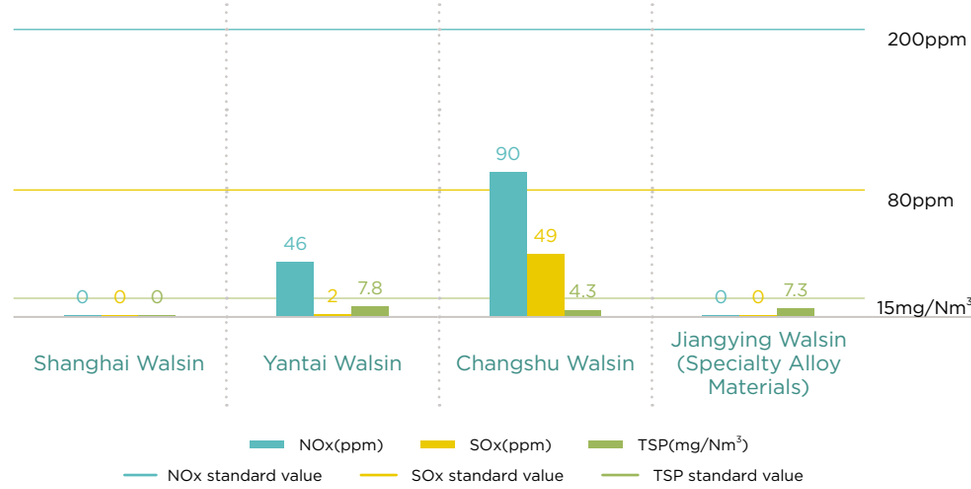
TSP emission intensity (Taiwan plants)

▼ 20.66%

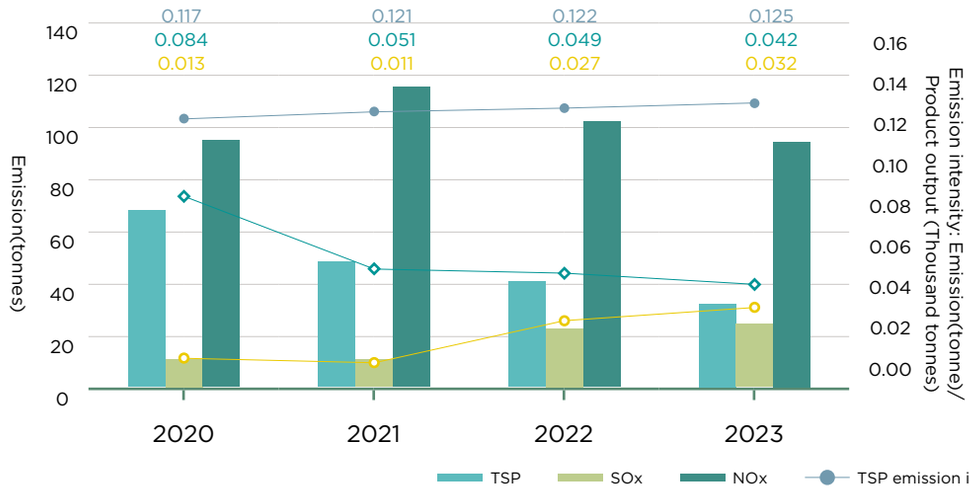
Emission intensity at Taiwan sites and prescribed standard value



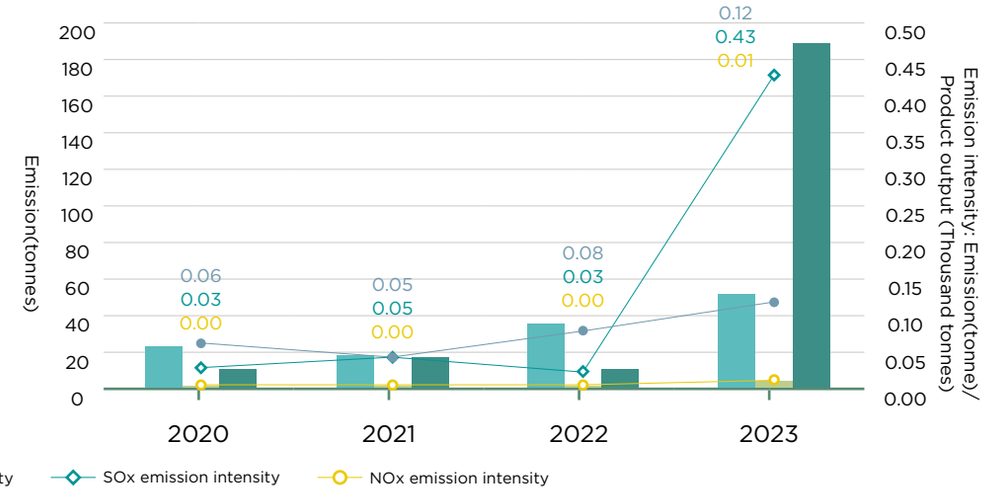
Emission intensity at overseas sites and prescribed standard value



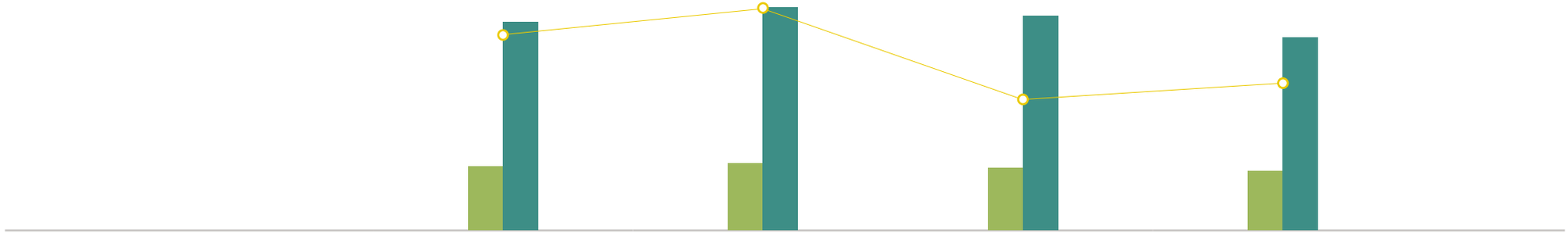
Total amount of waste exhaust and emission intensity at Taiwan Sites



Total amount of waste exhaust and emission intensity at Overseas Sites



Emissions and intensity of volatile organic compounds at Taiwan Sites



	2020	2021	2022	2023
Emission(tonnes)	114.02	136.73	110.68	101.83
Product output (Thousand tonnes)	811.42	948.62	828.15	757.05
Emission intensity: Emission(tonne)/ Product output (Thousand tonnes)	0.141	0.144	0.134	0.135

Note 1: The above emission data are reported to the Environmental Protection Administration in Taiwan and individual local environmental protection bureaus in Mainland China on a regular basis in compliance with relevant laws and regulations, but POPs, VOCs, and HAPs are not subject to local environmental protection laws and regulations in Mainland China.

Note 2: The above annual emission coefficient calculation is based on: Detected intensity x air flow x time.

Note 3: Taiwan sites included: Yangmei Plant, Hsinchuang Plant, Yenshui Plant, Taichung Plant.

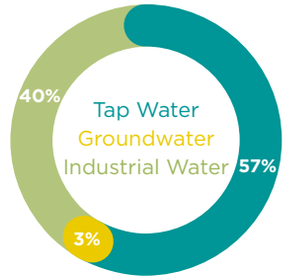
Note 4: Overseas sites included: Shanghai Walsin, Yantai Walsin, Changshu Walsin, Jiangying Walsin (Specialty Alloy Materials), Walsin Precision, CAS

1.3.2 Water Resources Utilization and Wastewater Treatment

Materials Topics

Walsin Lihwa Water Resources Management Policy

- Management and reduction at source
- Recycling and reuse of process water
- Reuse of reclaimed water
- Reuse of cooling water recovered from environmental protection equipment and public systems



Water Source and Water Conservation

Walsin is committed to the proper management and recycling optimization of "water resources", conducts water resource risk impact analysis and continuous operation planning. We also established a management model of "source management", "source reduction" and "recycling" to ensure the continued operation of the company's water system and formulate a water shortage crisis response mechanism in advance. Through the Safety and Environmental Database-Water Resources Data Platform, the water balance of each plant is analyzed and compared with historical data during the same period for management and improvement. In response to the risk of water scarcity, we have implemented zero-discharge wastewater in overseas high-risk factories (Shanghai Walsin and Yantai Walsin) to increase the reuse of reclaimed water. We are also seeking to cooperate with local governments to connect recycled water from the Water Resources Regeneration Center to the plant for use. The water consumption rate increased by 1% in 2023, mainly due to the formal operation of the Yantai Steel Rolling Mill, resulting in an increase in overall water consumption.

Plant	Water consumption in the area where each plant is located (million liters)	Tap water intake (million liters)	Tap water intake percentage in the area where each plant is located
Hsinchuang plant	$2.0x10^6$	107	0.0054%
Yangmei plant	$4.3x10^6$	30	0.0007%
Taichung plant	$2.7x10^6$	362	0.0134%
Yenshui plant	$1.8x10^6$	99	0.0055%
Shanghai Walsin	$4x10^6$~ $4.5x10^6$	5	0.0001%
Jiangyin Walsin (Specialty Alloy Materials)		24	0.0006%
Changshu Walsin		227	0.0053%
Yantai Walsin		191	0.0045%

Major Water Resource Risks at Taiwan Plants

Plant	Basin	Total Water Risk	Water Shortage Risk	Groundwater Level Decline Risk	Drought Risk	River Flooding Risk	Coastal Flooding Risk
Hsinchuang plant	Tamsui River	Low to medium (1-2)	Low (<10%)	Insignificant	--	Low to medium	Medium to high
Yangmei plant	Dongshi River						
Taichung plant	Dajia River						
Yenshui plant	Zengwen River						

Note: According to WRI assessment, the plants in Taiwan have a low risk of water shortages, and there is no significant impact on local water resources, suppliers, or relevant stakeholders if water intake is lower than 5% of the total intake in an area.

Major Water Resource Risks at Overseas Plants

Plant	Basin	Total Water Risk	Water Shortage Risk	Groundwater Level Decline Risk	Drought Risk	River Flooding Risk	Coastal Flooding Risk
Shanghai Walsin	Huwei Lake	High (3 - 4)	High (40 - 80%)	Medium to high (2-4cm / year)	Medium to high	High	Low
Jiangyin Walsin (Specialty Alloy Materials)	Yangtze Delta	Low to medium (1-2)	Low (< 10%)	--	Medium to high	Medium to high	Medium to high
Changshu Walsin	Yangtze Delta	Medium to high (2-3)	Low (< 10%)	Medium to high (2-4cm / year)	Medium to high	Medium to high	Medium to high
Yantai Walsin	Yellow Sea	Extremely high (4-5)	Extremely high (>80%)	Insignificant	Medium to high	Low	Medium to high
Walsin Precision	Jiyang	Medium to high (2-3)	Low (<10%)	Insignificant	Medium	Low to medium	Medium to high
CAS	Mediterranean	Medium to high (2-3)	Medium to high (20-40%)	Insignificant	Medium	Low	Low

Note 1: Shanghai Walsin and Yantai Walsin are the 2 overseas plant sites facing high risks of water shortages, but zero wastewater emission is proven successful at the steelmaking and power cable plants in Mainland China as their cooling water is all recycled and reused as process water.

Note 2: Water risk assessment by the Water Resource Institute's Aqueduct Tool: http://www.wri.org/our-work/project/aqueduct/aqueduct-atlas

Our company uses rainwater recovery systems, process water recovery and cooling circulating water as water conservation measures; Tap water is the main source of water for operations. According to water meter records, the total water consumption in Taiwan plants was 13,229.46 million liters (the total water consumption per unit product is 0.018) in 2023, and the total water consumption in overseas plants (Asia) was 825.49 million liters (the total water consumption per unit product is 0.003). The total water consumption in oversea plants (Europe) was 11,356.21 million liters (the total water consumption per unit product is 0.067). Compared with the average increase of 24.98% in water consumption per unit of product in Taiwan and overseas regions (Asia) in 2022, the official commissioning of Yantai Rolling Mill has increased the water consumption per unit of plant product in overseas regions.

In 2023, the water recovery rate of Taiwan plants and overseas plants decreased by 0.7% (91.8% → 91.1%) and 5.7% (24.73% → 19.04%) compared with 2022. This was mainly due to the adjustment of product types and the introduction of new processes in oversea plants, resulting in an increase in overall water use.

Unit: million liters

	Taiwan	Mainland China	Malaysia	Italy
Tap water (Water supply from third-party facilities)	597.40	447.27	14.04	0.40
Groundwater	59.88	0	0	11,355.81
Industrial water (Water supply from third-party facilities)	527.52	207.03	0	0
Process reclaimed water	12,114.67	157.15	0	0
Total water consumption	13,299.46	811.46	14.04	11,356.21

Note: The quality of water purchased from external sources is fresh water (≤1,000 mg/L total dissolved solids)

Water Use and Recovery

Amount of Purchased Water Intake and Water Intake Intensity

Note 1: Consumption of tap water, industrial water, and groundwater is primarily based on water meter readings.
Note 2: Water is primarily recovered from manufacture processes and cooling water, and the water recovered is recorded by water meters.
Note 3: Taiwan sites included: Yangmei Plant, Hsinchuang Plant, Yenshui Plant, Taichung Plant
Note 4: Overseas sites in Asia included: Dongguan Walsin, Jiangyin Walsin (Steel Cable), Jiangyin Walsin (Specialty Alloy Materials), Shanghai Walsin, Yantai Walsin, Changshu Walsin, Walsin Precision

Wastewater Treatment

Walsin Lihwa's wastewater management objectives include pollution and emission reduction as well as recycling. Wastewater at individual plant sites is properly processed by their wastewater treatment facilities to comply with effluent standards. In addition to self-sampling of wastewater every day, disinterested third-party inspections of wastewater quality takes place on a regular basis to prevent environmental impacts resulting from wastewater emission and ensure wastewater quality at individual plant sites to comply with local effluent standards.

The total wastewater discharge from Taiwan's plants in 2023 was $3.86x10^2$ million liters, the total wastewater discharge from oversea plants (Asia) was $0.57x10^2$ million liters, and the total wastewater discharge from oversea plants (Europe) was 96.77 $x10^2$ million liters. The total emissions from Taiwan's plants decreased by 6% compared with 2022.

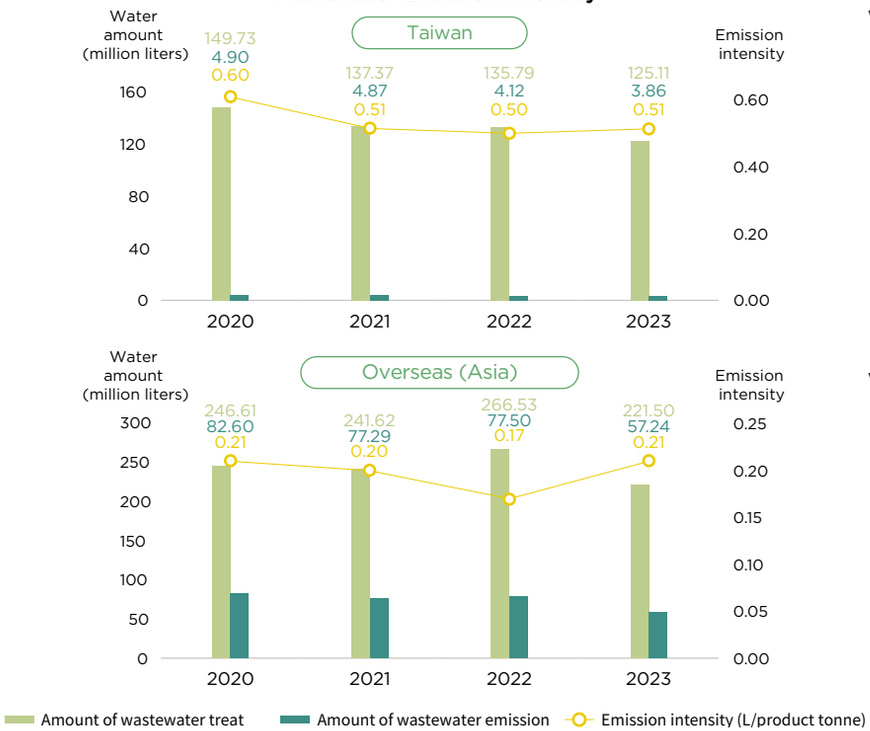
Wastewater Emission Intensity in Taiwan

Unit: million liters

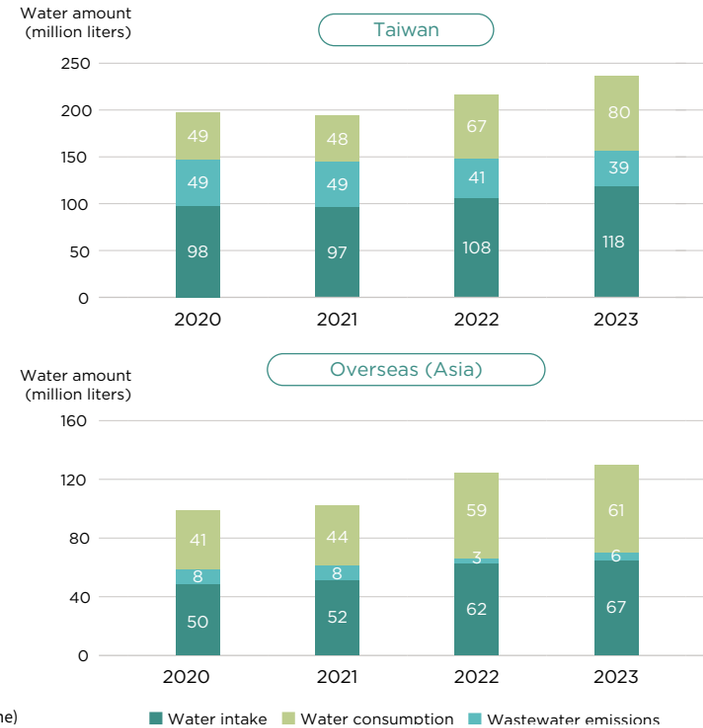
Plant	BOD	COD	SS	Emission standard	Emission destination
Hsinchuang plant	7.25	37.80	5.15	Effluent standard: BOD: 30mg/l COD: 100mg/l SS: 30mg/l Piping standard: BOD: 300mg/l COD: 550mg/l SS: 300mg/l	Dahan River
Yangmei plant	Unregulated by environmental law	13.60	11.70		Shezi River
Taichung plant	4.05	26.85	27.35		Industrial zone piping
Yenshui plant	Unregulated by environmental law	20.56	4.38		Jishui River

Note 1: The emission amounts in the above table are based on water meter reading records.
Note 2: Proper wastewater treatment at the Taiwan sites helps make wastewater emission lower than effluent standards.
Note 3: With piping treatment, wastewater at the Taichung site meets effluent standards prior to emission.
Note 4: The data in the above table are the results for water taken from our sites and analyzed by quailed inspection companies.

Wastewater Emission Intensity



Total Water Intake and Emission



Cogne Acciai Speciali (CAS)

Overseas (Europe)

Cogne Acciai Speciali (CAS)

Category	2023
Water intake (million liters)	11,356.21
Wastewater emissions (million liters)	9,677.47
Water consumption (million liters)	1,678.74

Note 1: Taiwan sites included: Yangmei Plant, Hsinchuang Plant, Yenshui Plant, Taichung Plant; Asia sites included: Dongguan Walsin, Jiangying Walsin (Specialty Alloy Materials), Shanghai Walsin, Yantai Walsin, Changshu Walsin, Walsin Precision; Europe site: Cogne Acciai Speciali (CAS)
Note 2: Water consumption = Water intake - Water emission

1.3.3 Waste and Resource Recycle

Materials Topics

Walsin uses 4Rs of environmental protection (Reduce, Reuse, Recycle, Recovery) as the basis for waste generation and control. In 2023, the overall waste recycling and reuse rate of copper wire, wire and cable, and stainless steel was 95.61%, and the reuse rate of non-hazardous waste was 97.20% to 98.89%; Reuse rate of hazardous waste 55.9% to 99.55%. In addition to some of the waste produced by ourselves, all the waste is cleared, processed or reused by qualified manufacturers. The waste output of Taiwan plants and oversea plants increased by 6% compared with 2022 (mainly due to the increase of Yantai Steel Rolling Plant); The overall waste reuse rate of the Taiwan plant increased by 1.82% compared with 2022. This is mainly due to the fact that all waste acid from the Yenshui Plant was transported to the Taichung Plant for waste acid treatment, reuse and process improvement and adjustment, thereby further reduce dust collection and sludge output, and achieve the target of <1% landfill rate in Taiwan and overseas.

Walsin Lihwa shall continue its promotion of waste reduction at source as well as waste recovery and reuse, and shall also leverage its whole supply chain to decrease raw material consumption and environmental burdens resulting from production, realize the ideal of circular economy by ongoing development of innovative environmental protection technologies, strengthening business sustainability, perfecting the audit and control of whereabouts of its wastes, and ensuring waste treatment contractors comply with relevant laws and regulations.

Waste Management Goals

Unit: tonnes/ thousand tonnes of product volume

	2023 Actual	2025 Goals	2030 Goals
Landfill rate of non-hazardous waste	0.29	0.2	BACT
Landfill rate of hazardous waste	1.5	0.5	BACT

Waste Disposal

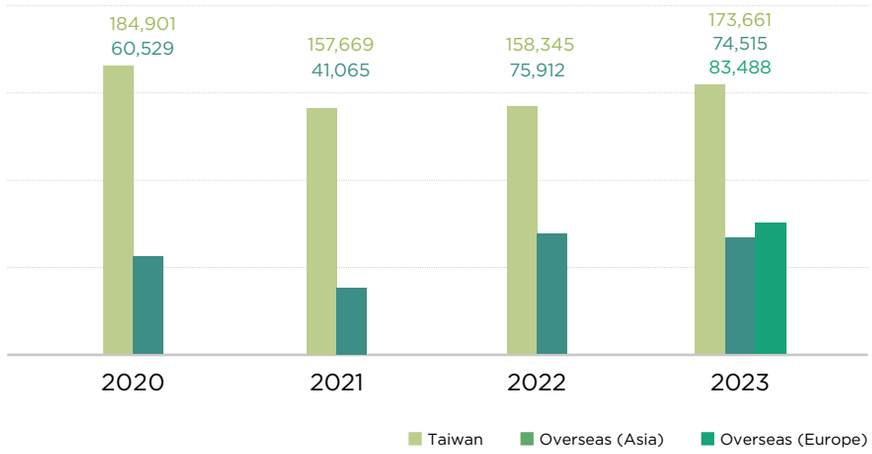
Waste Output and Amount of Waste Processed

Area	Taiwan			Mainland China and Malaysia			Europe		
Treatment	Non-hazardous waste	Hazardous waste	Total	Non-hazardous waste	Hazardous waste	Total	Non-hazardous waste	Hazardous waste	Total
Recovery	112,956.74	57,188.39	170,145.14	58,631.75	8,509.45	67,141.20	15,343.21	4,520.58	19,863.79
Incineration	699.80	4.92	704.72	339.10	5,686.07	6,025.17	-	0.052	0.052
Landfill	27.71	249.13	276.84	321.99	409.36	731.35	57,201.61	0	57,201.61
Others	2,530.30	4.00	2,534.30	0	616.95	616.95	96.08	6,326.84	6,422.92
Total	116,214.55	57,446.44	173,660.99	59,292.84	15,221.83	74,514.67	72,640.90	10,847.47	83,488.38
Recovery percentage	97.20%	99.55%	97.98%	98.89%	55.90%	90.10%	21.12%	41.67%	23.79%
Incineration percentage	0.60%	0.01%	0.41%	0.57%	37.35%	8.09%	0.00%	0.00%	0.00%
Landfill percentage	0.02%	0.43%	0.16%	0.54%	2.69%	0.98%	78.75%	0.00%	68.51%
Others	2.18%	0.01%	1.46%	0.00%	4.05%	0.83%	0.13%	58.33%	7.69%

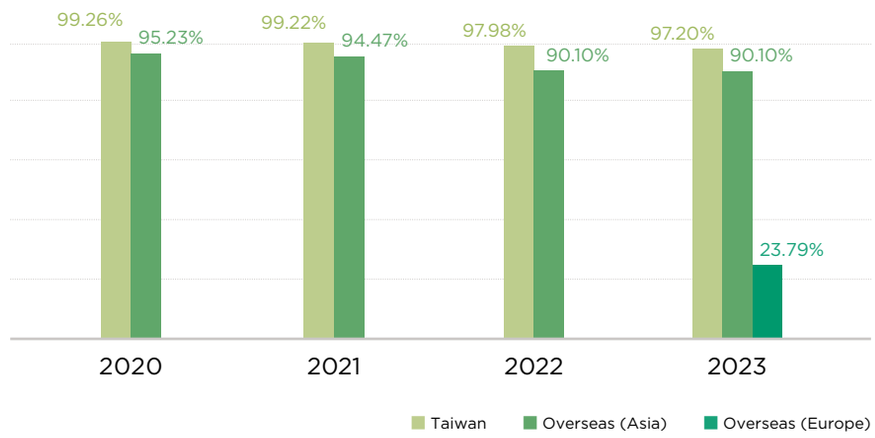
Note 1: In addition to the hazardous waste collected from Yenshui Plants in Taiwan and Asia, which is recycled in-plant and the waste acid waste in Taichung Plant is processed and recycled by itself (total 29,744.27 tonnes), the rest of the hazardous and non-hazardous wastes were processed away from the plant.

Note 2: Total non-hazardous waste self-processed and recycled in European plants was 64.82 tonnes. The rest of the hazardous and non-hazardous wastes were processed away from the plant.

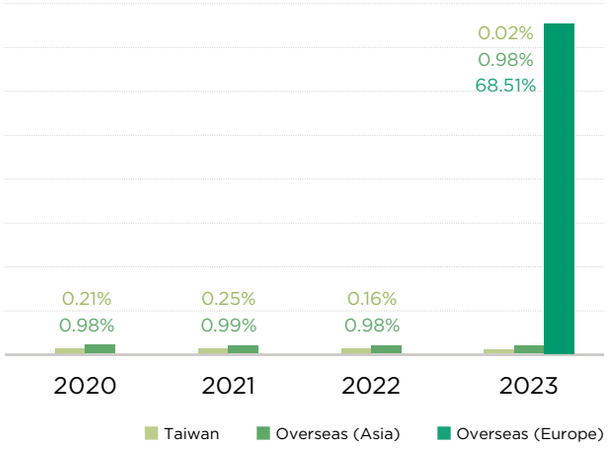
Total Amount of Wastes



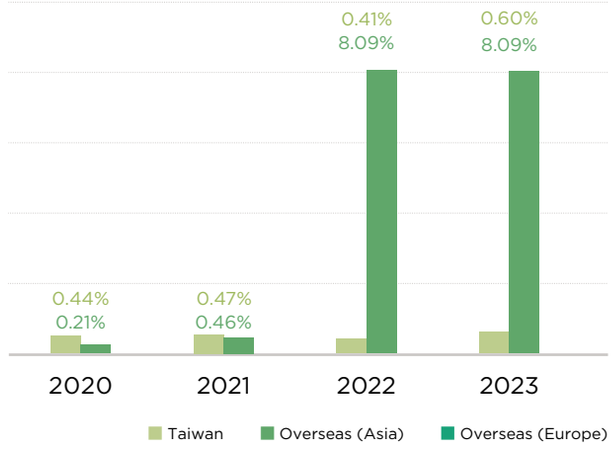
Recovery



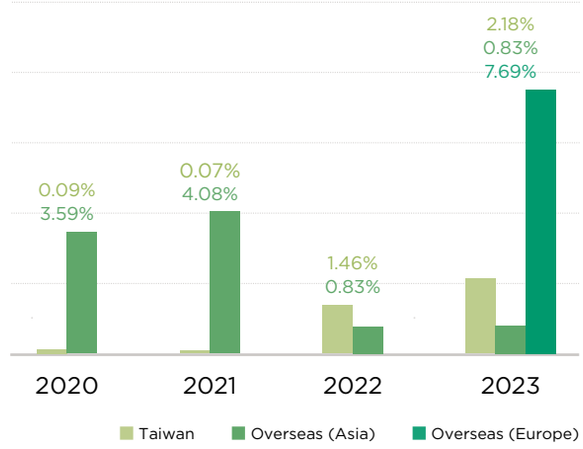
Landfill



Incineration



Other Waste Processing Methods



Note 1: Taiwan sites included: Yangmei Plant, Hsinchuang Plant, Yenshui Plant, Taichung Plant
Note 2: Asia sites included: Jiangying Walsin (Specialty Alloy Materials), Shanghai Walsin, Yantai Walsin, Changshu Walsin, Walsin Precision
Note 3: Europe site: Cogne Acciai Speciali (CAS)

Compliance with Environmental Regulations

Materials Topics

There were no major environmental fines (more than NT$100,000) in 2023; There has been no pollution leakage that caused the company to suspend production or resident protests around the plant; There was no leakage of sewage or waste.

Industry-Academia Research Resource Utilization of Stainless Steel Steelmaking Furnace Ballast

In recent years, Walsin has continued to invest in industry-academia research projects on the resource utilization of oxidized ballast and reduced ballast in stainless steel steelmaking, jointly promoting the value enhancement of furnace ballast resources and rebuilding the economic cycle industry chain project:

Major R&D Projects	Cooperative Partner	Period	Introduction	Total expenses (NT$ thousand)
Apply stainless steel ballast for carbon replenishment and storage: Taking the SRF fluidized bed system as an example	National Science and Technology Council / Research Center for Energy Technology and Strategy, National Cheng Kung University	November 2023~ October 2024	Traditional chemisorption carbon capture methods have several disadvantages, such as high energy losses and equipment corrosion. In comparison, furnace ballast is a more affordable by-product of the process. It is affordable and can absorb CO2 and to achieve carbonic acid stabilization, no additional high-pressure steam curing and stabilization procedures are required. In the actual carbon capture process, appropriate particle size and the cyclic reaction of uncarbonated CaO are one of the important factors to be considered in gas-phase carbonation. It can be combined with the precious metal recovery process to achieve precious metal recovery and furnace ballast classification at the same time.	3,900
Development plan for using steel-making inorganic materials in fireproof and soundproof partition structures	National Science and Technology Council / Research Center for Energy Technology and Strategy, National Cheng Kung University	June 2022~ May 2023	Use inorganic mud stabilization technology to develop stainless steel reduced ballast building materials in attempt to produce calcium silicate board products. The content includes "Inorganic polymerization technology applied to the research and development of controllable density materials", "Development and research on the heating characteristics of building materials" and "Implementation and verification of recycled building materials", so that the key technology required for the stabilization and recycling of inorganic mud ballast can be established by reducing ballast resource building materials.	4,000
Enterprises Human Resource Upgrade Program- Education and Training on Circular Economy	Ministry of Labor	January 2023~ December 2023	The Yenshui Plant applied for the "Enterprises Human Resource Upgrade Program" of the Ministry of Labor to enhance the professional capabilities of the Yenshui Plant personnel on blast furnace slag research. In order to effectively integrate the research results of circular economy research on stainless steel manufacturing processes with Walsin Lihwa's factory operations, we plan to entrust external lecturers and in-plant personnel to give lectures to jointly enhance the professional research capabilities of the Yenshui Plant personnel on blast furnace slag.	536
Feasibility assessment of stabilization and recycling of oxidized slags	National Cheng Kung University	August 2022~ June 2023	Oxidized slags are used to make cement blocks with an application for reuse of such slags for mass clearance of them at the Yenshui plant.	Approximately 1,246
Use of oxidized slag as the Xinying plant's subgrade	I-Shou University / Chinese Society of Pavement Engineering	June 2021 till groundwater quality has been monitored for 2 years	Assessment of the feasibility of mixing oxidized slag aggregates into asphalt cement for road pavements is conducted to validate the feasibility and expand oxidized slag aggregates ‘ applications for pavements and road works.	Approximately 1,650
Use of the planed materials from oxidized slags as recycled asphalt concrete	I-Shou University / Chinese Society of Pavement Engineering	August 2022~ July 2023	A granular study was carried out using the oxidized ballast pavement scraped from the weighbridge section of the Yenshui Plant to evaluate the utilization of subsequent promotion of recycled asphalt concrete.	325
Early-stage assessment of waste stainless steel recycling and transformation of environmentally recycled high heat resistant ceramics-magnesium calcium materials into ceramics	Industrial Technology Research Insitute	October 2022~ September 2023	Early-stage assessment on reuse of waste from stainless steel industry is conducted.	2,000

1.4 Ecological Protection

As ecological protection is one of the basic corporate responsibilities for sustainable development, Walsin Lihwa ensures its business activities can maintain ecological balance and species diversity as much as possible in every step of plant site selection, plant development and construction, environmental impact assessment, and environmental protection compliance to help mitigate environmental impacts.

In terms of corporate governance, the Sustainable Development Committee of Walsin Lihwa convenes on a regular basis to deal with ecological protection issues, and the committee is planned to be developed into the highest regulatory authority of the Taskforce on Nature-related Financial Disclosures (TNFD) at the Company, whose Sustainable Development Office performs relevant duties and reports its planning for biodiversity to the board on a regular basis.

Moreover, to help employees become more knowledgeable of the geology, hydrology, and ecology near their plants, Walsin Lihwa provided a nature and ecology lecture respectively at its Hsinchuang and Taichung plants, where there were 202 attendees. There was also a documentary on environmentally friendly farming of kiwifruits sponsored by the Company, and such organic agricultural products were bought and shared with employees, too, for them to better understand and support the environmentally friendly grown kiwifruits. Moreover, Cogne Acciai Speciali, an Italian subsidiary, also engages in honeycomb breeding near its plant to help ensure continuous and stable spreading of pollens and maintain biodiversity while sharing the honey thereby produced with employees.

Biodiversity Risk Assessment

Biodiversity risk assessment tools help the Company assess the degrees of importance of natural environment protection at its business locations as well as interaction with local natural environments to scrutinize individual plants' dependance on and influence to their respective environments and take corresponding protection measures based on local environments.

Plant Expansion Along with Wildlife Habitat Development

In response to global market expansion, transformation to smart manufacturing, as well as trends of emery saving and carbon reduction, Walsin Lihwa entrusted a professional organization to conduct an ecological survey when assessing plant expansion to develop the protection measures as follows, decrease the environmental impact outside the plant, and create an outstanding wildlife habitat.

- A greenbelt as wide as 20 to 30 meters outside the plant, detention pond as well as isolation and buffer zone development, native plant planting with multi-layered planting of nectar plants and herbivores to attract birds and butterflies while increasing biodiversity.
- No use of chemical agents such as rodenticides, herbicides, or insecticide, replacement of herbicides with manual weeding, and replacement of rodenticides with mouse cages to prevent pollution and maintain ecological soundness.
- Support for the Promotion Plan of Endangered Species and Important Habitat Ecological Service Payment, and cooperation with local ecological preservation groups, e.g., ecological recording of ring-necked pheasants and oriental grass owls to understand their suitable habitats.

Indonesia Plant IMIP ESG Foundation

As a member of IMIP ESG Foundation, PT Walsin Nickel Industrial Indonesia involves in various sustainable developments, such as mangrove cultivation, protection and restoration. The industrial park cultivated approximately 0.87 hectares in 2023, and plan the planting area to be 1.8 hectares more in 2024. At the same time, mangrove cultivation are also held annually on July 26, the International Mangrove Day. The event was held in Padabaho Village in July 2023, with more than 250 participants, including community residents, academic institutions, and environmental organizations. As a result, a total of 3,796 mangrove seedlings were planted. Not only does it restore the mangrove ecosystem and protect the coastline from direct impact of wind and waves, but also up to 745 residents of Padabaho Village benefited from its economic effect. In addition, the foundation also cooperates with the local government to protect and rescue rare species. In December 2023, the foundation launched a migration plan for Macaca fascicularis, including habitat transformation as well as follow-up monitoring to strengthen the conservation of the species.

Friendly Workplace and Social Care

ocial

Aspect	Objectives for 2023	2023 Result	Objectives for 2024
Sustainability Promotion Strategy: Uphold Walsin's concept of full engagement to cultivate top-tier talent and create a happy workplace. Implementation Guidelines: 1 Create a happy workplace, improve labor management relationships, and increase employees' identification and engagement. 2 Strengthen talent cultivation and career development planning, help employees learn, grow, and fulfill self-actualization.			
Employee Relations	Create a friendly environment and promote labor-management harmony	Workplace friendly • Implement environmental and equipment improvements of offices, kitchens, restaurants, dormitories, parking lots, and walking trails in the 9 plant sites. Communication friendly • Organized the annual meeting of the company both online and offline with more than 300 participants. • Labor-management meetings are held at the Taiwan plants every quarter. • Arranged 127 PTA exchange activities. System friendly • Utilized M365 to create HR reports for supervisors. • Developed and completed 37 work automation and digital sharing apps and information applications.	Workplace friendly • Continuously improve the office, on-site working and living environment facilities in each plant. Communication friendly • Ensure that new employees are taken care of through the experiences of each plant, and this is extended to the Indonesian plant. • A Consensus on company development is formed through the annual meeting. System friendly • Continue to promote M365 applications. • Cultivate information under the bilingual policy in response to the increase in international talent.
	Value employee care and enhance employee recognition	Life care • Organized 2 Family Days in Walsin with 4,500 participants. • Held 7 festival events (International Women's Day, Labor Day, Mother's Day, birthday gifts, Mid-Autumn Festival, Father's Day, birthdays, year-end/Christmas). • Organized travel events for foreign migrant workers and Eid al-Fitr feast (with approximately 100 participants). Physical and mental care • On-site physicians provided health-related services at Taiwan's 5 plants. • Held 92 health promotion lectures and training sessions.	Life care • Organize holiday activities. • Show solicitude for foreign migrant workers and organize cultural festivals. Physical and mental care • Continue to carry out activities on physical and mental care, health promotion, and singles mixers. • Collect and analyze feedback and plan measures that meet employee needs.
	Pass on the corporate culture and encourage employee participation	Co-learning within the Group • A total of 3 special topic seminars were held to continue the group culture and share functional expertise (EAP and Workplace Safety, AI Application, International Talent Cultural Integration). Reading Clubs and Lectures • 40 reading clubs and 10 lectures were held with a total of 871 participants.	• Conduct exchanges among financial and accounting functional groups. • Continue to organize reading groups and lectures.

Aspect	Objectives for 2023	2023 Result	Objectives for 2024
Employee Relations	Promote the application of scientific methods and improve the management capabilities of entry-level and management trainees	Lean Production/ Technical Achievement Announcement • Technical achievements were published in 108 submissions, and the "Walsin DNA" internal community platform shared a total of 87 papers over the years – Lectures on scientific techniques: A total of 14 teams participated in the Generative AI Competition/ 2 sessions on Artificial Intelligence Technology and ChatGPT Trend Application. – TPS introduction: A total of 823 people participated in the 25 training courses. Training Digital Talents at Walsin • A total of 25 training courses on M365 were held with a total of 650 participants. • A total of 42 groups participated in the achievements presentation and Hackathon competition. • Trained development talents for Power Apps (8 teams) and deepen the KM knowledge base; Implemented 4 sessions of the Power BI course with approximately 100 participants.	• Design the Mentoring System to accelerate the cultivation and care for new employees. • Implement training for entry-level on-site supervisors. • Continue to be promote/review/deepen TPS courses. • Continue to organize technical achievements presentations in the plant.
	Cultivate the employees' systematic thinking ability and business management knowledge	• Online articles on international trends were viewed by a total of 340 audiences. • Improve supervisory management capabilities and business trend thinking capabilities (With a total of 13 courses and 325 participants). • Implemented the first semester course of the 5th EMBA class (24 students).	• Continuously improve supervisor's management capabilities and business trend mentality. – Communication and management across generations. – Seminar on sharing articles on international trends from the Harvard Business Review. – Implement the second and third semester courses of the 5th EMBA.
Sustainability Promotion Strategy: Prioritize employee safety and health, and establish well-rounded policies and regulations to be enforced in each plant. Implementation Guidelines: Protect labor safety and health, and create a safe working environment.			
Workplace Safety	Frequency-Severity Indicator (FSI) <0.4	• Strengthened and perfected risk management as well as safety job procedures. • Building safety and health organization capabilities in the Mainland China plants. • 0.776 for the whole company.	• ISO 45001 comprehensive safety production management. • Promote and implement environmental safety standards to strengthen the safety awareness of law enforcement personnel and managers to reduce occupational accidents.
	No occupation accident at contractors	• 2 work-related injuries at Yantai plant in Mainland China , and 16 injuries at CAS in Italy. • 0 deaths in the company.	
Sustainability Promotion Strategy: Promotes mutual development with local communities to gain greater social influence. Implementation Guidelines: Engages in charity and increases influence through four major aspects: Corporate citizenship, Care for the Underprivileged, Environmental conservation, Neighborhood improvements.			
Social Engagement	Corporate Citizenship 7 projects supporting culture, education, ESG, and economics.	Completed 10 projects • Supported Taiwanese art and cultural groups, skills competitions from the Ministry of Labor, Center for Corporate Sustainability, and industry-academia cooperation with various colleges and universities, etc.	Continue to support cultural, educational, ESG, economic exchange projects, etc.

Aspect	Objectives for 2023	2023 Result	Objectives for 2024
Social Engagement	Care for the underprivileged	Completed 3 projects •Supported the SaySiyat singing team, video courses from New Taipei Municipal Shuang-Xi High School, the "Light up Taiwan" project, sponsor children welfare organizations, etc.	4 projects, 1 public welfare video.
	Environmental Protection and Conservation 2 projects, 5 events, 1 film	•2 projects (Conservation and Breeding, Small Farmers Contract Farming), 7 activities (ecological protection), 1 video (Environmentally Friendly Videos and Digital Features).	2 projects, 2 events.
	Community Outreach 2 projects, 2 volunteer activities, and 12 environmental optimization initiatives	•2 projects (school children's education), 2 volunteer activities (newspaper reading activities), and 12 community environment improvement projects.	2 projects, 2 volunteer activities, and 12 environmental optimization initiatives.

Highlight

Female managers accounted for **17.6%**

The proportion of female employees with STEM background in Taiwan and Mainland China was **1/3**

Total hours of training: **283,039** hours, representing a growth of **116%** compared to the previous year.

The total provision for staff welfare was: **NT$ 43.66 million**

Awarded as **HR Asia Best Companies** to Work for in Asia and has won the 1111 Job Bank Happy Enterprise Gold Award under the manufacturing sector for two consecutive years.

Awarded the **Outstanding Healthy Workplace** -Vibrant Award from the Health Promotion Administration, Ministry of Health and Welfare.

The public welfare video and digital special features "Multiple choice question of Kiwi fruit" received **847,600 views**

In conjunction with Family Day, we supported the Taiwanese arts and cultural group FOCA with **4,500 participants.**

2.1 Human Rights and Talent Management Policy

Materials Topics

2.1.1 Human Right Policy

Walsin Lihwa abides by the laws and regulations of each operating plant around the world, is committed to safeguarding the basic human rights of employees, protects the legitimate rights and interests of employees, supports and abides by the following (including but not limited to) the following human rights conventions and human rights protection standards recognized by the international community, and strives to be fair, reasonable and treat all employees with kindness and respect, including full-time employees, temporary employees, foreign migrant workers, interns, contractors, etc., and extend this spirit to partners.

- Universal Declaration of Human Rights, UDHR
- United Nations Global Compact, UNGC
- ILO Declaration on Fundamental Principles and Rights at Work
- United Nations Guiding Principles on Business and Human Rights, UNGPs
- UN Declaration on the Rights of Indigenous Peoples

The scope of application of the company's human rights policy includes the company and domestic and foreign subsidiaries, joint ventures and other group-related enterprise organizations with substantial control capabilities, as well as suppliers, contractors, partners (customers, communities) and other stakeholders. We are committed to preventing any human rights violations; We also listen to the views of stakeholders through diversified, open and two-way communication channels, and regularly disclose them publicly on the company's official website and sustainability reports. At the same time, we publicize and explain the content of the human rights policy to new employees when they arrive to ensure that they understand the implementation of the group's human rights policy.

Please refer to the company website for relevant goals and implementation measures: https://www.walsin.com/en/about-us/who-we-are/#pills-human-rights

2.1.2 Important human rights issues and mitigation measures

Walsin Lihwa always respects and supports the labor standards of the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labor Organization Convention, and is committed to ensuring that every member inside and outside the company will be treated equally and with dignity. The company's human rights management process includes the establishment of human rights policies, training on human rights issues, and the operation of complaint mechanisms, etc. The following are other human rights issues of concern to the Company and corresponding mitigation measures:

Issue of Concern	Target Topic	Risk Assessment	Stakeholders	Mitigation and Compensation Measures	Effectiveness of Implementation
Healthy and Safe Work Environment	Maternal Employee Health Protection Plan	Evaluate according to the work environment and operation hazard assessment form	female employees	Work adjustments made based on risk communication and identification, and breastfeeding rooms and dedicated parking spaces are provided.	Protection of eight employees in 2023 is in progress. Track the status before, during and after pregnancy according to the frequency and regularity of occupational doctors' presence in the plant: Provide regular progress reports to the Health and Safety Committee.
	Preventive program against unlawful acts of violence in the performance of duty	Grievances from employees	employees	After the HR unit receives the complaint, in order to protect the rights and interests of the complaining employees, the President appoints a project manager to investigate and implement countermeasures.	There is no risk with proper control.
	Monitoring the working environment	Conduct sampling, monitoring and improvement of employee working environment every six months	employees	Tracked through government regulations and standards.	There has been no exceedance of workplace monitoring standards.

Issue of Concern	Target Topic	Risk Assessment	Stakeholders	Mitigation and Compensation Measures	Effectiveness of Implementation
No Forced Labor	Discourage overtime work and respect employees' off time	HR regularly tracks overtime hours	employees	Overtime work is discouraged at labor-management meetings and company quarterly meetings.	Controlled appropriately below the standards according to the production peak and low seasons.
	Overload hazard risk assessment	Employee overload risk level 3 Proportion of the number of people: 1.4%[note]	employees	Formulate an overload hazard prevention plan, conduct consultations on health education, adjust operations, and track improvements based on evaluation results.	There is no risk with proper control.
No Employment of Underaged Workers	Supplier Code of Conduct: Signing of Human Rights and Environmental Sustainability Commitment	Integrated into supplier evaluation standards for review	Employees and Suppliers	At the time of recruitment, age checks over 15 years of age will be carried out in accordance with the law.	There is no risk with proper control.
Eliminate discrimination	Pay attention to the spirit and development of the international "modern slavery law"	Check whether foreign workers are being treated unfairly in their living and working conditions	Migrant workers	Foreign workers enjoy the benefits of a regular employee.	There is no risk with proper control.
Freedom of association and the right to collective bargaining	Ensure the functioning of labor unions and labor-management meetings	Ensure that employee grievance channels are safe and opened, and employee satisfaction surveys are conducted regularly	employees	Union management and supervisor meetings are held monthly to discuss employee-related issues, with company representatives participating in the communication process.	Employees are fully protected by labor unions.

Note: Scope of the Management Plan: Plants in Taiwan

Training on Human Rights

In 2023, a total of 11,489.12 hours (81 courses) of human rights-related education and training were implemented for internal employees, including the "Promoting a Friendly Workplace", "General Data Protection Regulation in EU, GDPR", "Environmental Safety" and other courses, and the training was promoted during supplier conferences.

Human Rights Agreements and Guarantees

Walsin protects the human rights of employees through the labor union and labor-management meeting systems. Employees who are eligible to participate in the labor union are 100% protected by the labor union. Suppliers are bound by the "Supplier Management Commitment to Social Responsibility".

Labor Union and Labor-Management Communication Channels

The Company established a labor union in November, 1976 to pursue improvement of working conditions and promote smooth communication between labor and management. All of the company's policy promotion, employee's opinions and suggestions are all carried out through two-way direct communication between employer and employees: A labor union representative meeting is held annually, and a labor-management communication and coordination meeting for labor union representatives is held regularly every quarter. Various issues related to employees are discussed at the meeting, and company representatives are present for communication. Currently, there is a labor union meeting room in the plant, allowing employees to communicate and exchange opinions with labor union representatives on a daily basis; Seminars are also held periodically where union board members can communicate directly with senior executives. Selection and commendation activities for exemplary workers are also organized annually, and 59 model labor representatives were selected in 2023.

Walsin Lihwa has also set up various channels for grievances. In addition to holding quarterly labor-management consultation meetings, weekly meetings may be held from time to time as an important channel for employees to communicate their rights and interests to ensure that labor-management interactions are regularized. The discussion topics of the labor-management

consultation meeting include discussions on labor changes, the company's business development and talent development needs, wages and benefits, working environment and grievance matters. All the company's operating activities and major changes to employees' work are in compliance with the requirements of the Labor Standards Act. Employees can protect their rights and interests according to the company's system, and can also report to labor negotiation representatives to obtain rights and interests protection and maintain good interaction between labor and management.

Walsin has not signed a collective bargaining agreement with the labor union. Although the company has established a labor union, it has not yet signed a collective bargaining agreement because the union has not requested the company to negotiate on a collective bargaining agreement.

Overview of the Walsin Lihwa Labor Union

	Labor union established in 1976
	An annual meeting is held every year, and union directors and supervisors are re-elected every four years.
	Hold labor union, directors and supervisors meetings every quarter to discuss employee-related issues
	Arrange seminars regularly
	100% of employees in Taiwan who are eligible to participate in labor union are protected by the labor union, and 83.8% of employees are members of the labor union; In mainland China, 99% of employees are members of the labor union.

Proportion of labor representatives in labor-management meetings and Occupational Safety and Health Committee

2.1.3 Human Resources Policies and Human Resources Structure

Status on Employment

As of the end of December 2023, we have a total of 10,428 employees worldwide, most are regular employees (8,662 male, 1,233 female), 1.9% are contractors (171 male, 25 female), And the percentage of foreign migrant workers remained at 3.2% (337 male, 0 female). The Company continues to expand its overseas operations, in which the total number of employees in Indonesia has increased by approximately 36.9% compared to the previous year. In addition to Walsin Nickel which was established in 2020, we also acquired PT. Sunny Metal Industry SMI in 2022, which successively became an important step in production in the Indonesian market, and total number of employees of Walsin Lihwa globally continues to rise.

Total of Employees Worldwide in 2023

Total of employees worldwide **10,428** | Male: **9,170** Female: **1,258**

Benchmark Date 2023/12/31

By gender and each region	Regular employees		Contract-based		Migrant workers	
	male	female	male	male	female	male
Taiwan	2,244	403	8	4	337	0
Mainland China	1,880	384	33	12	0	0
Indonesia	3,433	351	24	2	0	0
Malaysia	82	23	35	0	0	0
Italy	1,023	72	71	7	0	0
Total	8,662	1,233	171	25	337	0

Note 1: The total number of global employees in 2023 plus the number of employees of PT. Sunny Metal Industry in Indonesia and CAS subsidiaries in Europe

Note 2: Migrant workers refer to only non-native direct employees of Taiwan plants.

Note 3: In addition, the average monthly number of non-employee (contractor) workers entering the factory in 2023 was about 944 in Taiwan, 474 in Mainland China, and 314 in Italy (to be included in the statistics from 2023 onwards). The main reason for the slight increase in headcount compared to 2022 was due to the expansion of the Yangmei and Yantai Plants, with works including construction and transportation.

Structure of Managerial Positions & Regular Employees

By Age

		Under 30	31-40	41-50	Over 51	Total
Taiwan	Non-managerial	645	1,005	657	310	2,617
	Junior Supervisor	10	80	64	41	195
	Mid-level Supervisor	0	17	54	46	117
	Senior Manager	0	3	16	48	67
Mainland China	Non-managerial	539	690	436	358	2,023
	Junior Supervisor	19	104	51	14	188
	Mid-level Supervisor	1	28	42	18	89
	Senior Manager	0	2	3	4	9
Indonesia	Non-managerial	2,091	1,018	252	41	3,402
	Junior Supervisor	57	176	59	19	311
	Mid-level Supervisor	24	49	17	2	92
	Senior Manager	0	0	0	5	5
Malaysia	Non-managerial	35	39	27	16	117
	Junior Supervisor	0	4	9	3	16
	Mid-level Supervisor	0	0	3	4	7
	Senior Manager	0	0	0	0	0
Italy	Non-managerial	121	264	251	185	821
	Junior Supervisor	36	101	105	67	309
	Mid-level Supervisor	0	2	18	8	28
	Senior Manager	0	0	7	8	15
Total		3,578	3,582	2,071	1,197	10,428

By Education

		Below senior high school	Junior college	Bachelor	Master	Doctor	Total
Taiwan	Non-managerial	1,086	272	830	409	20	2,617
	Junior Supervisor	11	27	72	83	2	195
	Mid-level Supervisor	1	20	33	60	3	117
	Senior Manager	1	6	15	41	4	67
Mainland China	Non-managerial	1,066	550	384	23	0	2,023
	Junior Supervisor	40	46	98	4	0	188
	Mid-level Supervisor	5	22	56	6	0	89
	Senior Manager	1	1	0	4	3	9
Indonesia	Non-managerial	2,950	186	260	6	0	3,402
	Junior Supervisor	114	84	94	19	0	311
	Mid-level Supervisor	0	16	32	44	0	92
	Senior Manager	0	0	5	0	0	5
Malaysia	Non-managerial	93	10	14	0	0	117
	Junior Supervisor	4	5	7	0	0	16
	Mid-level Supervisor	1	2	4	0	0	7
	Senior Manager	0	0	0	0	0	0
Italy	Non-managerial	796	0	25	0	0	821
	Junior Supervisor	209	0	100	0	0	309
	Mid-level Supervisor	7	0	21	0	0	28
	Senior Manager	2	0	13	0	0	15
Total		6,387	1,247	2,063	699	32	10,428

Because our wire and cable as well as stainless steel operations fall in the heavy manufacturing industry category, the workforce at our plants consists primarily of males and therefore the percentage of male workers is higher than that of female workers. Managers are mainly between the ages of 31 and 40; regular employees are mainly under the ages of 30. Wire & cable and stainless steel are technology and labor intensive industries. In terms of educational background, most managers graduated from college or above (inclusive), while regular employees mainly graduated from senior high school (inclusive) or lower. Factoring in prevalent legal prohibitions of employment of child workers, Walsin Lihwa complies with local labor laws and regulations in the areas where it has business presence and does not employ anyone under 16 years old. Walsin Lihwa Taiwan has 30 employees with mental or physical disabilities, amounting to approximately 1.00% of the total number of employees in Taiwan.

Note 1: The employee structure at the following Walsin Lihwa sites are disclosed:
Taiwan: Taipei head office, Yangmei plant, Hsinchuang plant, Yenshui plant, Taichung plant;
Mainland China: Walsin China Investment, Dongguan Walsin, Shanghai Walsin, Yantai Walsin, Changshu Walsin, Jiangyin Walsin (Steel Cable), Jiangyin Walsin (Specialty Alloy Materials) , Nanjing Walsin (Real Estate).
Malaysia: Walsin Precision Technology Sdn. Bhd.
Indonesia: PT. Walsin Lippo, PT. Walsin Nickel Industrial, PT. Sunny Metal Industry
Italy: Cogne Acciai Speciali (CAS)

Note 2: The entry-level management refers to management positions from subsection (inclusive) to section level, the middle management refers to department level management positions, and the senior management refers to management positions at division level (inclusive) and above.

Number of New Employees

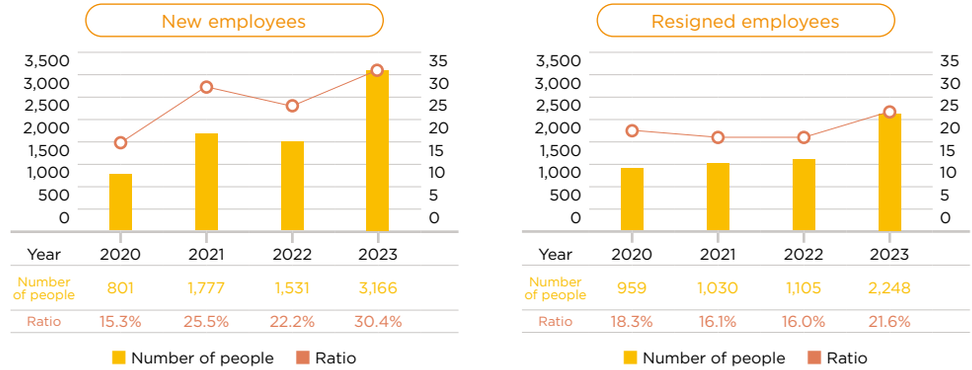
Walsin Lihwa adheres to the principle of employing people based on their talents, choosing the right people for the right job, and believing that employees are the company's most important assets. This is implemented through a well-established internal organization and a fair and open recruitment process. In 2023, 3,166 new employees were hired to meet the company's overall operational needs and promote employment development opportunities. The total number of employees of Walsin Lihwa increased from 4,931 in 2019 to 10,428 in 2023, and the number of new employees also increased from 888 to 3,166, demonstrating a 256% growth rate. Among them, the proportion of new employees under the age of 30 (inclusive) reached 49%, which also continuously employs liveliness and vitality into Walsin Lihwa's innovative energy.

2023 New Recruits and Exiting Employees Worldwide

Category	Number of individuals	New employees		Resigned employees	
		Number of individuals	Proportion of employees in category	Number of individuals	Proportion of employees in category
By gender	Female	258	20.5%	217	17.2%
	Male	2,908	31.7%	2,031	22.1%
By age	Over51	56	4.7%	190	15.9%
	41-50	259	12.5%	276	13.3%
	31-40	1,080	30.2%	632	17.6%
	Under30	1,771	49.5%	1,150	32.1%
By position	Senior Managerial	9	9.4%	6	6.3%
	Mid-level Supervisor	82	24.6%	32	9.6%
	Junior Supervisor	180	17.7%	139	13.6%
	Non-managerial	2,895	32.2%	2,071	23.1%
By Area	Taiwan	425	14.2%	404	13.5%
	Mainland China	761	33.0%	694	30.1%
	Indonesia	1,765	46.3%	1,050	27.6%
	Malaysia	31	22.1%	24	17.1%
	Europe	184	15.7%	76	6.5%
Total		3,166	30.4%	2,248	21.6%

Note: Recruitment rate = New employees in the current year/Number of employees as of the end of the current year, calculated using denominators based on gender and age groups. Turnover rate = Number of employees who resigned in the current year/Number of employees as of the end of the current year, calculated using denominators based on gender and age groups.

Total number and ratio of new and resigned employees



Note: The number of new/resigned employees in 2023 plus the number of employees in PT. Sunny Metal Industry and CAS subsidiaries in Europe

Statistics on the number of employees who have resigned

A total of 2,248 employees resigned in 2023. The turnover rates in various regions were: Taiwan: 13.5%, Mainland China: 30.1%, Indonesia: 27.6%, Malaysia: 17.1%, Europe: 6.5%. Compared with the previous year, the turnover rates in Mainland China and Indonesia were relatively higher. Mainland China actively promoted business transformation last year, eliminating the weak and retaining the strong, focusing on investing resources in more stable core business groups, including wire and cable, stainless steel and resource businesses, and comprehensively transforming towards energy development; In Indonesia, because the plant is not located on an island where Indonesia's main population is concentrated, most of the employees are immigrants, and it is relatively difficult to stay in the company for a long time. In addition, due to the addition of a new plant in 2023, a large number of direct employees were recruited during the initial period of operation for the sake of stability, and uniform training and fitness-for-duty evaluations were conducted, resulting in an increase in the turnover rate as compared to that of last year.

Although the overall turnover rate has increased due to company policy factors, Walsin Lihwa's self-resignation rate has been less than 15% since 2018, reflecting the company's concrete results in talent retention. When an employee submits a resignation application, the Human Resources Department will confirm with the unit supervisor and arrange a resignation interview to understand the reason for the resignation and provide consultation. At the same time, based on the employee's expertise and willingness, the Human Resources Department will confirm whether there are internal positions suitable for transfer.

In addition, for employees who resign involuntarily, the company pays relevant fees and handles salary notification in accordance with the provisions of the Labor Standards Act and the Employment Service Act. The calculation of the severance pay is based on the number of years of service under the old system or the new system of the Labor Pension Act. The issuance of an Involuntary Separation Certificate enables involuntarily separated employees to apply for unemployment benefits from public employment service agencies.

Employee turnover rate by region	2019	2020	2021	2022	2023
Taiwan	14.0%	13.6%	12.9%	13.6%	13.5%
Mainland China	17.0%	21.9%	23.4%	21.5%	30.1%
Indonesia	-	31.1%	12.1%	12.6%	27.6%
Malaysia	9.0%	14.8%	11.3%	12.8%	17.1%
Italy	-	-	-	-	6.5%

Note: The number of employees in 2023 plus the number of employees in PT. Sunny Metal Industry and CAS subsidiaries in Europe

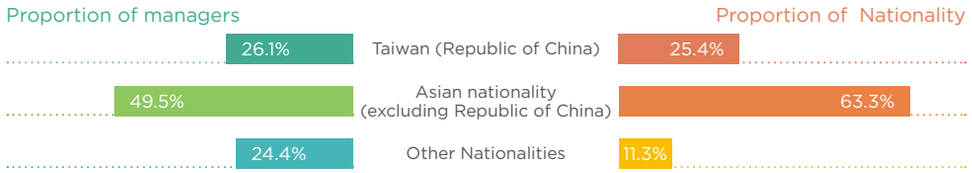
2.1.4 Embrace diversity, Create inclusion, and Maintain equality--Manpower Diversity Indicators

At Walsin Lihwa, we firmly believe that diversity is one of the key elements of corporate success and insist on creating an inclusive work environment so that each employee can fully demonstrate his or her unique values and talents. In terms of gender diversity, we are committed to achieving equality between men and women, providing equal opportunities and equal treatment. We value the abilities and contributions of every employee, regardless of gender, and encourage them to reach their highest potential. Likewise, we clearly recognize that every country and culture has its own unique values and perspectives. Therefore, we also welcome talents from different countries to join the team to promote cross-cultural exchanges and cooperation, so that we can have a broader perspective and better adapt to the global environment. The various manpower diversity indicators in 2023 are as follows:

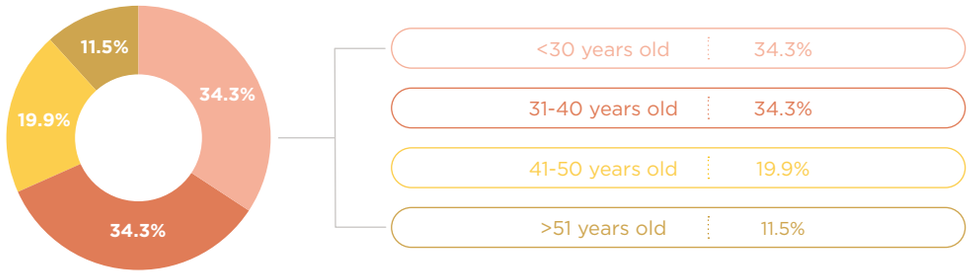
Status of Female Supervisory Positions

Note: 1. The management refers to management positions at subsection level (inclusive) and above
Note: 2.The entry-level management refers to management positions from subsection (inclusive) to section level
Note: 3.The middle management refers to department level management positions
Note: 4.The senior management refers to management positions at division level (inclusive) and above

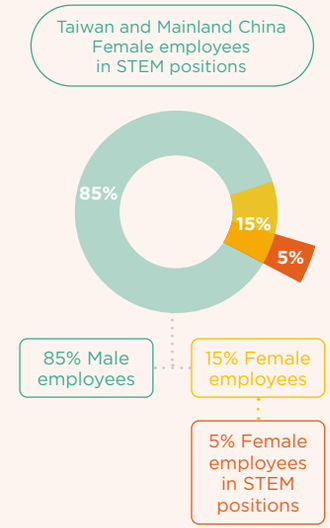
Diversified Employee Nationalities



Age Distribution of Global employees



We are well aware of the critical importance of technological innovation to Walsin Lihwa. Employees in STEM positions (generally referred to as "Science, Technology, Engineering, and Mathematics" (STEM)) are the core of Walsin Lihwa's technology drive. Through technological innovation, we seek to achieve greater breakthroughs in sustainable development and make positive contributions to society. They are involved in everything from new product development to production process optimization. With cutting-edge technology and expertise, they constantly challenge the limits of the industry and bring outstanding results to the company. Due to the industrial nature of Walsin Lihwa, there are relatively fewer female employees than men. In 2023, female employees in Taiwan and Mainland China accounted for about 15%. However, one-third of female employees were in STEM positions. It can be seen that while governments are vigorously promoting STEM personnel, the number of female employees in STEM positions in the company has a certain proportion and is increasing year by year, demonstrating the company's diversified cultivation of professionals to cope with the rapidly developing high-tech generation in the future.

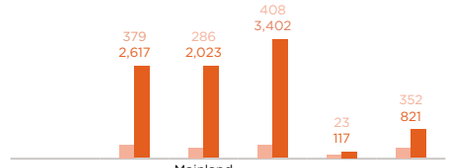


Percentage of Local Management in Local Headcount

The Company employs local employees in all regions, which not only effectively manages the local business and enhances the stability of the Company's operation, but also meets the local economic benefits and improves the local employment rate and standard of living.

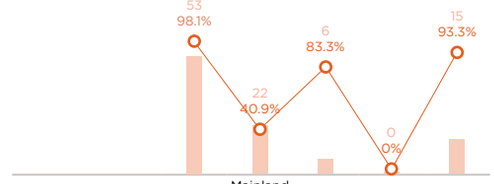
Except for management needs in Mainland China, local managers at the vice president level and above are still mainly Taiwanese, including Taiwan, Indonesia, and Italy.The proportion of local employees who are senior managers is above 80%.

Number of Managers/Non-Managerial Personnels in Each Region



	Taiwan	Mainland China	Indonesia	Malaysia	Italy
Managerial	379	286	408	23	352
Non-managerial	2,617	2,023	3,402	117	821

Percentage of Local Senior Management in Local Headcount



	Taiwan	Mainland China	Indonesia	Malaysia	Italy
Number of senior managers	53	22	6	0	15
Percentage of local senior management in local headcount	98.1%	40.9%	83.3%	0%	93.3%

Note 1: The number of managers in Taiwan includes 39 Taiwanese nationals stationed in Mainland China and 5 Taiwanese nationals stationed in Indonesia.
Note 2: The management refers to management positions at subsection level (inclusive) and above, and senior managers refer to managerial positions at or above the division level (inclusive)
Note 3: Local refers to the country where the organization operates (and where the employees work), and is proportional to whether the nationality of the employees is equivalent to the local nationality.

2.2 Talent Cultivation and Empowerment

Training Indicators and Results

Average Training Hours

By type		By gender		According to rank	
Physical courses (HRs)	4.87	Male (HRs)	42.04	Director level or above (HRs)	27.89
Online courses (HRs)	1.66	Female (HRs)	34.19	Assistant manager & manager level (HRs)	27.92
				Supervisors below the level of section chief (including section chief) (HRs)	87.03
				General Staff (HRs)	35.97

Note: Training outcomes are disclosed for the following factory areas: Taiwan: Taipei Head Office, Yangmei Plant, Hsinchuang Plant, Yenshui Plant, Taichung Plant / Mainland China: Walsin China Investment Co., Ltd., Dongguan Walsin Lihwa Power Wire & Cable Co., Ltd. Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd., Yantai Walsin Stainless Steel Co., Ltd., Changshu Walsin Specialty Steel Co., Ltd., Jiangyin Walsin Specialty Alloy Materials Co., Ltd., Jiangyin Walsin Steel Cable Co.Ltd., Walsin (Nanjing) Development Co., Ltd., Nanjing Walsin Property Management Co., Ltd. / Malaysia: Walsin Precision Technology Sdn. Bhd. / Indonesia: PT. Walsin Lippo Industries / Italy: CAS

In terms of the talent development system, Walsin Lihwa adopts three parallel tracks: professional positions, project positions and management positions. Based on the different nature of functions, Walsin Lihwa provides complete and diversified training methods to meet the various needs of employees in their career development. The Company has invested a great deal of resources in education and training, and a specialized team is responsible for planning and executing annual training courses. Every year, the Company ensures the effectiveness of training through the operational cycle of training needs survey, course planning, course execution, and post-learning satisfaction survey.

Online learning has been a trend in corporate training in recent years. In order to promote the habit of independent learning among employees, the Company has established various learning channels on the online learning platform "Walsin Lihwa Academy" and promote it to all employees in the company. Employees can learn online instantly and quickly. Employees can instantly and quickly access courses and past personal learning records online, enabling them to plan their own training and master work skills. There are also a variety of learning promotional activities to motivate employees to take the initiative to learn and score points for their work ability.

At the same time, multiple courses are introduced to address key issues such as corporate transformation, career layout, talent cultivation and organizational culture, including but not limited to: For legal compliance, corporate governance, information security, technology application, project management, leadership, foreign language learning, etc., Please refer to the following table "Comparison of Annual Major Issues and Training Courses". In 2023, 63,154 training hours were utilized for online learning through Walsin Lihwa Academy, for a total of 283,039 hours of educational training, with an average of 41 hours of training; The total investment in education and training exceeds NT$38 million. The overall training hours increased by 116% compared with 2022.

Annual Material Issues and Training Courses

Material Issues	Course Title	The number of participants	Total training hours
Corporate Governance and Legal Compliance	TIPS+ Intellectual Property, How Much Do You Know About Business Secrets, and Business Integrity	5,135	5,223.49
Sustainability Strategy	Climate Change and Sustainable Management, Low-Carbon Transformation Roadmap - Carbon Credit and Carbon Pricing	2,875	4,854.47

Annual Material Issues and Training Courses

Material Issues	Course Title	The number of participants	Total training hours
Financial Performance	Power BI Data Visualization, 10 Minutes a Day, Get to Know "Agile Project Management"	2,676	13,737.66
Risk Management	Evidence preservation and insider trading prevention	2,806	1,364.25
Product Quality and Responsibility	IATF 16949 Internal Audit Training, External Audit in Laboratories (Quality Control) [Shift: CNS:17025]	126	765.00
Climate Action	Climate Change and Sustainable Management, [Net-zero Carbon Emission Planning] Courses	1,991	1,827.96
Waste Management	Wastewater Management Courses Finishing Course Engineer - Pickling Line Waste Gas Treatment Equipment and Principles Key points for troubleshooting abnormal waste acid exceeding the standard [Green Manufacturing and Carbon Reduction Cycle] Introduction Course on Stainless Steel Ballast Recycling and Related Applications	49	58.32
Product R&D and CleanTech Innovation	Stainless Steel Technology Conference	50	300.00
Information Security Management	Promotion of Information Security Guidelines, Understanding Information Security	2,817	1,941.19
Labor Relationship	Recruitment and Performance Interviews (Includes training on labor act)	292	1,100.00
Occupational Health and Safety	Workplace Environmental Safety Course, Managerial-Level Environmental Safety Course	8,925	11,097.73

Manpower Capital Return on Investment

The company has long emphasized talent cultivation and development, and is committed to creating a workplace where employees feel valued and happy. Since 2020, as the company's operations and locations continue to expand, investment in employee salaries and benefits has increased year by year. Despite the impact of economic cycle fluctuations on pre-tax net profit in 2023, it does not affect the company's investment in employee salaries and benefits.

NT$ thousand

	2019	2020	2021	2022	2023
Total Revenue	134,804,405	112,546,603	156,664,766	180,400,719	189,839,626
Net Profit before Tax	4,740,267	9,250,665	19,122,498	23,402,013	7,438,398
Employee Salary and Welfare Expenses	6,780,000	6,280,000	7,120,000	9,040,000	10,413,459
Manpower Capital Return on Investment	0.69	1.5	2.7	2.6	0.71
Number of Employees	4,931	5,230	6,958	9,624	10,428

Note: In 2023, new operating bases such as PT. Sunny Metal Industry and CAS were included.

Employee Training Plan

Development Plan	Description of Benefits	Results and Benefits	Applicable FTEs ratio (Percentage of full-time employees eligible to participate)
Digital Project Competition Hackathon	Key talents are cultivated through competitions to develop ideas for the company's digital transformation plan and lead the company to implement digital transformation. As the potential employees of the company, in order to help them cultivate in the direction of management, cross-unit experience and ability, and to be able to contribute to the company's stable development and sustainability, and to match with the company's digital transformation strategy, we have arranged for the key talents to be the leaders in promoting digital projects and organized digital project competitions. This competition started from the topic of digital transformation to actual verification. The purpose is to help key talents realize how to promote digital transformation within the company and use existing data and resources to make improvements.	A total of 42 digital projects (42 proposals) were completed in 2023. Among them, 10 proposals were short-listed and some of them have been implemented in daily tasks.	100%
Annual online compulsory courses	A variety of courses are introduced targeting the key issues of corporate transformation, career layout, talent cultivation and organizational culture, including: Courses on legal compliance, corporate governance, information security, technology application, project management, etc.	A total of 761 people completed all required courses in 2023, which was an increase of 75% compared to 2022. The average online learning hours was 11.35 hours. The total savings in physical course fees was approximately NT$418,800.	100%
TPS Lean Production	Through internal lecturers and real-life case studies, Walsin's supervisors were led to learn how to operate and solve problem on the production line. The course includes A3 problem solving, TWI, TPS, FMDS, people management and standard workflow, etc., so that supervisors can experience the core values of management and apply them to their work, leading their teams to make continuous innovation and progress.	The total number of trainees in 2023 was 703.	6%

Development Plan	Description of Benefits	Results and Benefits	Applicable FTEs ratio (Percentage of full-time employees eligible to participate)
International People Project	In accordance with the company's internationalization strategy, the company is able to handle specific projects for employees in the Taiwan region: •The International People Program courses and lectures were designed to expand employees' international outlook based on the four major themes of European culture of dining and wine tasting, welcome and reception, meetings and signing contracts. •A 6-month online English course.	A total of 276 people participated in the international etiquette course, and the course satisfaction reached 4.7 points (out of 5 points); There were 134 participants in the English platform training. According to the before and after test results, more than 80% of the participants have made significant progress in their English listening and reading skills.	7%
Assist foreign talents Adaptation Program	•A total of 2 Chinese language courses were offered for Indonesian engineers. The first course focuses on culture and life, and the second course aims to acquire the basic level of proficiency in Chinese language test. The lecturer is asked to take the test based on the "Test of Chinese as a Foreign Language" test questions from the Ministry of Education. •Foreign migrant workers stay in Taiwan are assisted in obtaining certificates such as cranes and forklifts.	•Six Indonesian engineers have reached entry-level basic skills in reading and listening. Five of them have advanced reading skills and are able to communicate easily in daily life. •Assisted a total of 114 foreign migrant workers to participate in Chinese language ability improvement training. After completing the training, they were able to communicate in simple Chinese with employees in the plant. •Assisted 39 foreign migrant workers to obtain professional licenses, with a total annual cost of NT$488,255.	**

Industry-Academia Collaboration

In order to enhance the momentum of technological research, strengthen the relationship between industry and academia, and lay out the talent cultivation plan, we cooperated with 12 colleges and universities to promote various industry-academia research, internship cooperation, and academic exchanges in 2023. A total of 208 people participated, with an investment of NT$ 31,736,910. For related plans, please refer to 4.1.3 Diversified Innovation Energy.

2.3 Talent Motivation and Retention

Incentivized Compensation System

Walsin attaches importance to employee benefits and upholds the concept of employee profit sharing. We conduct regular market surveys in hopes of providing employees with competitive overall salaries, so that we can attract outstanding talent to join the team of Walsin Lihwa. Walsin Lihwa offers a competitive salary and compensation system. Permanent employees are entitled to:

- We comply with relevant local laws and regulations, and strive to establish harmonious labor management relations within the scope of the law.
- Starting salaries for fresh-out-of-school employees and foreign national workers in compliance with relevant local laws and regulations.
- Reasonable yet competitive total rewards based on the market value of individual professional functions and job contributions to the company.
- Employees are rewarded with bonuses based on the Company's business performance, team goal attainment, and individual contribution and performance.
- Employees' salaries and compensation are determined by their education, knowledge, skills, professional experience, and individual performance. In no way does gender, race, religious belief, political affiliation, marital status, or membership in a union play a part in these decisions.
- Raises are planned each year based on the Company's profitability and comparison with results of the salary survey.
- Promotions are planned each year based on employees' performance and development potential, organizational requirements, and employees' aptitude and career advancement intentions.

Gender Remuneration Gap - Overall Average

	Taiwan	Mainland China
Difference in average salary between males and females	30.6%	28.2%
Difference in median salary between males and females	28.0%	21.4%

Remuneration Differences - by Management Level

	Taiwan	Mainland China
Entry-Level Management	1.8%	-0.6%
Middle Management	12.8%	16.3%
Senior Management	21.3%	33.9%
Non-managerial positions	24.1%	20.1%

Note 1: The disclosed information of the remuneration system from the following plants: Taiwan region: Taipei Headquarters, Yangmei Plant, Hsinchuang Plant, Yenshui Plant, Taichung Plant, Mainland China: Walsin (China) Investment Co., Ltd., Dongguan Walsin, Shanghai Walsin, Yantai Walsin, Changshu Walsin, Jiangyin Walsin, Jiangyin Alloy, Nanjing Walsin (Real Estate)

Note 2: Ratio of base salary plus remuneration for females to males (base number is 1 for women)

Note 3: The entry-level management refers to management positions from subsection (inclusive) to section level, the middle management refers to department level management positions, and the senior management refers to management positions at division level (inclusive) and above.

Note 4: Salary composition:

Basic salary (Extrapolating the whole year from the month of December 2023 - estimated value)
Monthly bonus (Divide the number of disbursements in the current year by the actual number of months and extrapolate back to the full year - estimated value)
Bonuses (Year-end, performance, compensation-actual value)
Employee remuneration (Excluding absence from office in December - actual value

Number of non-managerial, full-time employees in Taiwan, their average salaries and differences from the previous year

Year	Number of fulltime employees	Average salary (NT$ thousand)	Median salary (NT$ thousand)
2022	2,755	1,210	991
2023	2,877	1,094	889
Difference	122	-166	-102

Note: Non-managerial employees refer to all employees (excluding managers), under the same scope of managers reported by the Company and disclosed in the annual report of the Annual Shareholders' Meeting.

Performance Measurement and Managerial Compensation

The relationship between performance measurement and variable rewards

At the beginning of the year, employees set annual work goals and policies, and the unit supervisor discusses and confirms the goals with employees. Employees update work progress in real time during daily work and conduct performance appraisals twice in the first and second half of the year (July and November), with appraisees in each unit being assessed by their supervisors at each level, and supervisors at each level conducting performance interviews with the employees. The key assessment items are as follows:

- General Employees: Performance assessment accounted for 50% and functional assessment accounted for 50% (Different functional items are distinguished according to different assessment categories)
- Senior Executives: Performance assessment accounted for 40% and management assessment accounted for 60% (Divided into operational capabilities, management capabilities, and corporate governance according to different assessment categories)

Variable rewards will be issued based on the above performance measurement results and are applicable to 100% of full-time employees.

Managerial compensation

In order to ensure that the managerial officers' performance is closely linked to the Company's strategy and that the overall salary and remuneration is competitive, the Company has formulated the "Regulations Governing Managerial Officers Performance Evaluation and Salary Remuneration Management". The aforementioned regulation includes the managerial officers' performance evaluation and salary remuneration policy. The remuneration standards shall be reviewed by the remuneration committee and then submitted to the board of directors for decision. Managerial officer remuneration includes salary and bonus. Salary is based on the Company's business strategy and profitability, as well as factors such as the managerial officer's personal professional ability, scope of responsibilities, and market competitiveness; Bonuses will take into account the results of individual performance evaluations, the company's operating performance and the rationality of the correlation between future risks, etc. However, if there are major risk events that can affect the company's goodwill, internal management misconduct, personnel malpractice and other risk events, bonus will be reduced or not be issued.

Retirement Pension System

Walsin Lihwa complies with the retirement laws, regulations, and systems in the markets where it has presence to protect employee rights after retirement for retired employees to lead a worriless life. For employees who retire or terminate the employment relationship, the Company will assist in the transition in accordance with the law. There is also a

consultant re-employment system for the retirement of key executives to reduce the impact on employees and the Company's management.

- Confirmed Pension Program

  The pension system for employees in Taiwan is set forth in the Labor Pension Act, and is a defined contribution plan managed by the government; 6% of employees' monthly salary is contributed to a personal account at the Bureau of Labor Insurance. The contribution amounts of the 2022 and 2023 defined contribution plans are listed as expenses in the consolidated statement of comprehensive income as NT$109,019,000 and NT$114,765,000. Subsidiaries located in mainland China set aside a certain percentage (13%-18%) of individual employees' monthly salary as retirement pension, which is deposited by the relevant competent authority in employees' independent savings accounts, in accordance with the local governing laws. The salaries of retired employees are managed by the local social security bureau where the company is located, and employees enjoy retirement pension according to local regulations. When employees reach the statutory age of retirement and have made payments for a cumulative 15 years, they will enjoy basic retirement insurance benefits. Subsidiaries in Malaysia make monthly payments of 12%-13% of employees' salary to the EPF according to regulations of Malaysia's government, providing security after retirement.

- Confirmed Benefit Program

  The pension system for employees in Taiwan is set forth in the Labor Standards Act, and is a defined benefit pension plan managed by the government. Pension payments are calculated based on the employee's years of employment and average monthly salary for the last 6 months before retirement.

  The Company makes monthly payments equal to 2% of the total salary of employees who retained their seniority in the old system to their retirement fund, and the Supervisory Committee of Workers' Retirement Preparation Fund deposits the funds into a dedicated account at the Bank of Taiwan under its name. Before the end of the year, if the account's balance is determined to be insufficient to pay workers that reach requirement conditions the following year, then the difference will be deposited into the account before the end of March the following year. The amount of defined benefit plans on 2022 and 2023 consolidated balance sheets are as follows:

NT$ thousand

	December 31, 2022	December 31, 2023
Current value of defined benefit obligations	1,332,167	1,293,149
Fair value of plan assets	(1,060,075)	(1,036,090)
Net defined benefit liabilities	272,092	257,059

Walsin Lihwa also provides benefits that exceed local regulations, such as group insurance, transportation subsidies, etc., to ensure that employees enjoy comprehensive protection.

Appreciation from Indonesian employee

Sincerely thanks for Walsin company to provide locals a better group insurance, let me have good caring in hospital and recover soon. Simultaneously, thanks to Walsin, finally agree to pass through this proposal, they really taking care of locals well. Working in Walsin," one heart, one family" is not just a slogan. We do feel the company treat us as a family, we suffer the pain, share happiness, and enjoy achievements together. Terimakasih banyak !

Encouraging Childbirth

Walsin Lihwa, in accordance with the Labor Standards Act, stipulates that the Company shall not terminate the labor contract of employees during maternity leave, and provides female employees with 56 days of maternity leave before and after childbirth. When employees accompany their spouses for pregnancy check-ups or when their spouses give birth, they can choose a 7-day leave. During the paternity leave, wages will be paid as usual. In addition, for employees with childcare needs, the Company also follows the provisions of the Act of Gender Equality in Employment. Employees who have been employed for more than half a year can apply for parental leave without pay if they need to take care of the family's young children under 3 years old.

In 2023, a total of 187 people were eligible to apply for parental leave without pay, and 9 of them applied for parental leave without pay. The reinstatement rate was 66.7%, and the reinstatement retention rate was 33.3%. Some of the employees who have not been reinstated are mainly due to the subsequent need to take care of their families. For those who have been reinstated, the Company has also arranged for reinstatement-related matters in advance, including internal departmental education and training, which can help shorten the period of adjustment and integration for reinstated employees from parental leaves and familiarize themselves with their work contents more effectively and quickly, so that they can return to their workplaces efficiently.

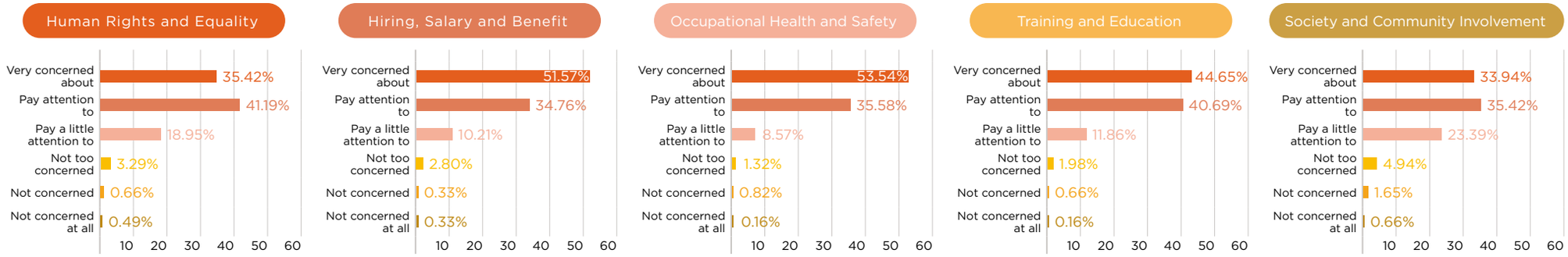
Number of unpaid parental leave applicants in Taiwan area	Gender		Total
	Male	Female	
Number of employees eligible for unpaid parental leave in 2023[Note]	168	19	187
Number of unpaid parental leave applicants in 2023	5	4	9
Number of employees expected to return from unpaid parental leave in 2023 (A)	5	4	9
Number of employees that actually returned from unpaid parental leave in 2023 (B)	2	4	6
Unpaid parental leave reinstatement rate (B/A) x100%	40.0%	100%	66.7%
Number of employees that returned from unpaid parental leave in 2022 (C)	2	1	3
Number of employees that returned from unpaid parental leave in 2022 had continued to serve a full year in 2023 (D)	1	0	1
Unpaid parental leave retention rate (D/C)x100%	50.0%	0%	33.3%

Note: Employees who applied for maternity leave or paternity leave in 2021/01/01-2023/12/31 and were still at the company on 2023/12/31.

Minimum notice period for operational changes

For major operational changes that affect employees' rights and interests and related countermeasures, the Company will communicate through labor unions or labor-management communication meetings before implementation, and will notify affected employees in advance in accordance with legal requirements. In addition, the Company also offers relevant measures, such as providing assistance in transferring to other internal units, providing employees with relevant terms and providing assistance in applying for relevant government subsidies. Taking the Taiwan region as an example, the Company complies with the Labor Standards Act and provide notices 10 to 30 days in advance depending on the employee's seniority.

Employee Questionnaire



In order to raise employees' concern and awareness of the Company's participation on social issues and to collect their opinions and feedback on the Company's measures on human rights and equality, workplace health and safety, employee cultivation and career development, talent recruitment and salary and benefits, and labor relations in 2023, we conducted a questionnaire on ESG issues at the end of 2023, as well as a survey on the satisfaction and opinions on the Company's human resources-related measures in 2023:

- The survey subjects were a total of 1,411 division-level employees in Taiwan. There were 6 questions in the questionnaire on social issues concern. The annual satisfaction and opinion questionnaire on human resources measures was designed with 19 questions in the social issues aspect. The topics included organizational climate and operations, health-related benefits and facilities, health assistance, digital work environment construction, scientific methods and basic management ability development, digital learning resource issues, diverse talent work environment, digital work habits, multiple communication channels and care at work, etc.
- Questionnaire results on social issues: Employees are most concerned about the company's measures on workplace health and safety (53.54% are very concerned), followed by talent recruitment and salary and benefits (51.57% are very concerned).

The main findings of the 2023 Human Resources Measures Opinion Questionnaires were:

- Friendly environment and people-oriented (43.72%) best represent the organizational atmosphere of Walsin. The Company recognizes the importance of employee participation and encourages employees to participate in the discussion of important departmental decisions (37.85%) as part of the company's organizational operation.
- In response to the international business layout and strengthening the working environment for diverse talents, nearly 75% of employees believe that international culture/etiquette courses are helpful in getting along with employees with different cultural backgrounds and understanding the cultures of various places. Nearly 75% of employees believe that the Indonesian language program can increase the ability to communicate with Indonesian employees, while 84% of employees believe that the English language program can increase the initiative to establish relationships with international employees and stimulate interest in learning English, which is a positive feedback to the company's promotion of a diversified work environment.
- Nearly 60% of employees use their spare time at work to study online courses; Nearly 80% of employees believe that they can access other areas of professional knowledge or strengthen their work requirements through the company's online learning platform, reflecting their willingness to learn independently and the extent to which the company's digital learning resources are utilized.
- Nearly 70% of employees believe that current work arrangements are challenging and provide opportunities for growth and learning.
- Nearly 98% of employees learn about and exchange company-related information through multiple communication channels such as Walsin e-newsletters, Walsin portals, announcement systems, and Walsin internal communities (Viva Engage), which meets the needs of different groups.

The lower-rated items or demand items in this opinion questionnaire will serve as the direction for improvement of human resources policies and services in 2024:

- If employees are not familiar with the rotation mechanism between functions/departments, Human Resources will clarify the rotation mechanism and strengthen the concept of rotation development to help employees plan their career development paths in advance.
- Employees hope to have a clear understanding of the company's expectations of them, strengthen their ability to assist supervisors in conducting performance interviews with employees, and improve the method and frequency of communication so that employees can more clearly grasp their position in the company.
- Employees expressed the need for health assistance for sports and fitness activities, physical fitness assessment consultation, and the Company will plan more related seminars and expert consultation in this direction in the future.
- Employees are looking forward to solving more workflow problems through M365. The company will continue to promote the learning and utilization of M365 tools and popularize the automation and real-time exchange of information and data.

2.4 Workplace Health and Safety

Materials Topics

2.4.1 Occupational Safety and Health Policy

Adhering to the goal of "a happy enterprise, a friendly workplace, and the pursuit of zero work-related injuries", the "Environmental, Health and Safety Promotion Center" (formerly the "Environmental, Health and Safety Committee") establishes and promotes occupational safety and health in accordance with the provisions of the Occupational Safety and Health Act (Mainland China: Production Safety Law) The safety and health management system provides safe and healthy working conditions, eliminates and reduces occupational safety and health risks, and promotes occupational safety for workers. The promotion center regularly reviews the implementation status of occupational safety and health programs in each plant, and handles safety accidents, disaster analysis and prevention.

The Management Policies of the Environmental, Safety and Health Promotion Center

Future Vision for Occupational Safety and Health Management: Safety and Health

Future Direction of Environmental, Safety and Health Management

Safety Culture	EHS Intelligent Management	Cultivation and Development of Environmental, Safety and Health Management Talents
SJP operation safety combines pointing and calling, 5S environmental safety, and TPM equipment safety	Real-time and intelligent EHS system	
Full staff participation, shift meetings are held to shape safety awareness of zero workplace injuries	In line with international sustainability indicators (ESG, CHR to CSV)	
Zero disaster		

Occupational Safety Goals

Indicator	2023 Goals	2023 Results	2024 Goals	Mid/Long-Term Goals
Company-wide incidents (including workers)	•0 severe and serious incidents •Minor or above incidents[note2] ≦ 59	•4 severe and serious incidents[note1] •134 minor or above incidents (77 cases of minor injuries, 57 cases of incidents)	•0 severe and serious incidents •Minor or above incidents ≦ 59	2025 goals •0 severe and serious incidents •Minor or above incidents reduced by 30% compared to 2017
Company-wide contractor disabling injury frequency rate (F.R.) Company-wide employee frequency severity indicator (FSI)	•0 severe and serious incidents •Incidents[note 4] or above FSI ≦ 0.4	•Contractors FR=9.12[note 3] •All employee FSI = 0.776	•0 severe and serious incidents •Incidents or above FSI ≦ 0.4	2025 goals •0 severe and serious incidents •Minor or above FSI incidents reduced by 10% year by year

Note 1: Severe and serious incidents are defined as fatalities, or other injuries from which the worker cannot recover (e.g. amputation), or inability/difficulty to recover to pre-injury health status within 6 months in the factory.

Note 2: Minor and above incidents refer to recordable accidents involving minor injuries (less than one day of lost working hours) in the factory.

Note 3: Walsin Lihwa's disabling injury frequency rate (F.R.) analyzes non-company workers, but their actual lost workdays cannot be calculated because they have no regular workplace after their recover from injuries. Therefore, the frequency is based on disabling injuries/1,000,000 employee-hours. 2 contractor work-related injuries occurred in Yantai and 16 contractor work-related injuries occurred in Cogne in 2023

Note 4: FSI accidents do not include minor injuries (the number of lost days is less than 1 day). PT. Walsin Nickel are added from 2022 onwards and Cogne are added from 2023 onwards.

Occupational Health and Safety Management System (Including fire safety management)

The Occupational Safety and Health management system (ISO 45001) is applicable to Taiwan plants (Hsinchuang, Yangmei, Taichung, Yenshui), Mainland China plants (Shanghai Walsin, Dongguan Walsin, Jiangyin Walsin, Jiangyin Alloy, Changshu Walsin, Yantai Walsin), Indonesia Walsin Nickel and for all CAS workers (employees, contractors and visitors). The overall site coverage of internal and external audits was 89.63% for employees and 97.59% for non-employees (contractors) (Taipei Headquarters, Nanjing Walsin (Real Estate), and Walsin Precision Malaysia have not yet passed verifications). Occupational safety and health management, worker participation, consultation and communication, prevention and mitigation of occupational safety and health impacts directly related to the business, etc. at each production operation base shall be handled in accordance with the provisions of the Occupational Safety and Health Management System. Walsin continues to apply the PDCA dynamically review management methods to improve and prevent recurrence, internal audit exercises, annual occupational safety and health performance indicator setting and tracking and other management mechanisms to improve the work safety of colleagues.

Occupational Safety and Health Participation, Consultation and Communication

Occupational Safety and Health Committee

Each plant has an Occupational Safety and Health CommitteeNote, with a certain proportion of labor representatives assigned by the enterprise's labor union to participate. Regular meetings are held (quarterly/monthly) to discuss occupational safety and health (safety production) related regulations, major safety and health issues and safety and health management performance, and send meeting minutes and occupational safety promotion messages to company colleagues.

Percentage of Labor Representative

	Total number of regular members	General members	Labor representatives	Number of meetings	Labor Ratio
Taiwan	97	63	34	20	35.05%
Mainland China	79	65	14	41	17.72%
Malaysia	22	21	1	4	4.55%
Indonesia	13	11	2	4	15.38%
Italy	15	11	4	1	26.67%

Note 1: Each plant in Taiwan has set up a safety and health committee (referred to as the Safety Committee) in accordance with the law, and the number of labor representatives complies with regulations. The factories in Mainland China, Malaysia and Indonesia are under the supervision of the Production Safety Committee.

Note 2: (1) Ratio = Number of labor representatives/Total number of committee members X 100%.

(2) Taiwan regulations stipulate that the proportion of labor representatives must be more than 1/3, but there is no such requirement overseas.

Note 3: CAS organizes at least one corporate safety meeting every year (according to Italian Law No. 81 of 2008). Participants include workers' health and safety representatives (RLS). According to the requirements of RLS, we will conduct project investigations and project meetings and invite RLS to participate in the inspection of the workplace by occupational health doctors (according to Italian Law No. 81 of 2008).

Occupational Safety and Health Communication Mechanism

Based on the ISO 45001 Occupational Safety Standard, occupational safety and health are implemented through the following mechanisms:

On-site shift meetings, shift handover meetings, visual management (5S)	Regular meetings are held on-site, and when hazards and dangerous conditions are identified, employees can immediately convey their opinions and compile effective proposals for improvement projects. Appropriate incentives will be given accordingly.
Regular meetings of the Environmental Safety Committee	Representatives from various departments convey their opinions at the meeting, and labor and management jointly communicate on occupational safety policies, occupational accident case studies, and occupational safety and health issues.
Organizational Meetings for Contractor Agreements	Communicate with third party companies (contractors) about workplace hazards, opinions, and company policies; And regularly communicate and hold discussions with contractors.
Occupational Disaster Council Meeting	In the beginning of every month, a review is held on industrial safety incidents involving disability for more than three days in the previous month, and the Environmental Safety department conducts "immediate accident investigations" and discusses them in the council meeting to ensure the effectiveness of improvements and the attribution of responsibilities (operations/supervision management/planning errors). The chairman of the council is jointly served by the President of the business group and the Environmental Safety Department, and the council decides on the handling measures with reference to the opinions of the council members.
Health Risk Prevention Committee	The dedicated environmental safety unit shall convene labor representatives and relevant personnel as necessary to discuss and deal with illegal infringement, abnormal workload (overwork), and human hazards. (No cases occurred in 2023)
Unscheduled Inspections and Assessments	When unit managers and employees find immediate danger in the workplace, they shall, in accordance with the notification procedure, ask the person in charge of the site to stop the operation immediately and make the workers retreat to a safe place.

2.4.2 Workplace Safety

Strengthen Hazard Identification and Risk Assessment Operational Safety SJP

In order to implement source management and control the risks of operation and equipment safety, we have added the hazard identification and risk assessment information of repetitive, high-hazard and high-risk specific operations (forklifts, cranes, boilers, etc.) to the risk management system for the operators to effectively identify hazards and risks. In 2023, a hazard identification and risk assessment strengthening project was launched. Plants in Taiwan and Mainland China will re-examine personnel operation safety, equipment safety and environmental safety projects in the original SJP risk management system. A total of 11 plants (sites), 147 units and 1,816 operation types were inspected, and 381 hazard factors were identified; among them, physical risks accounted for 84.9%, chemical risks accounted for 11.2%, human factors and other risks accounted for 1.9%, and biological hazards accounted for 0.1%. In 2024, we will focus on the disaster cases from 2023 (84 worker occupational accidents (including minor injuries, but excluding CAS) and 205 near-miss incidents (the near miss frequency rate was 238.98%, excluding CAS), as well as physical hazards and equipment safety. Through the mobile management of the contractor's mobile APP inspection system, KYT activities can be foreseen, and the chance of disaster, severity, frequency of operation and risk level can be adjusted to shape the safety awareness of all employees and achieve the goal of zero work injuries.

Note: Work-related near miss frequency rate (NMFR) = number of false alarm events * 200,000/total hours experienced

Analysis of SJP operational safety risk factors in 2023

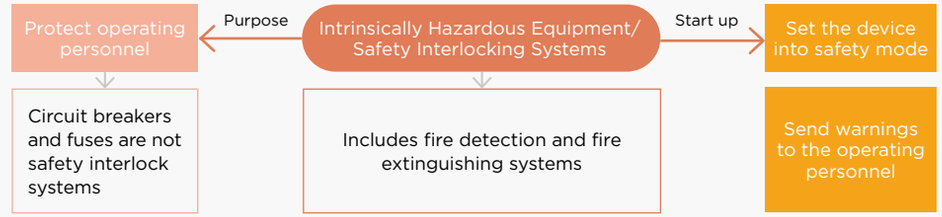
Risk Category	Total number of risk factor categories	Total Amount
Physical	25	14,881
Chemical	9	1,955
Human Factors Engineering	6	339
Biological	4	24
Others	5	326
Total	49	17,525

LECD Equipment Safety Project

In 2023, an equipment safety project was launched in response to the major disaster and SJP risk project "Mechanical Equipment-Physical Injury" over the years, and re-examine the hazards of illegal operations of personnel in 10 factories (sites), the hazards of inadequate equipment hardware protection, and coordination issues between users and equipment; A total of 147 units and 1,049 pieces of equipment were inspected (special equipment accounted for 15%). The Safety Checklist Analysis (SCL) evaluation was conducted through the critical equipment inventory, and the risk analysis of 78.36% of the key equipment was completed based on the equipment and facility risk classification control list. In order to avoid underestimating the risks of high disaster-causing equipment, a special equipment (hazardous mechanical equipment) license management system and equipment safety inspection projects will be developed in 2024. From the evaluation of existing control measures (engineering and technical measures, management measures, training and education, personal protection, and emergency response), employees are able to understand the safety design of existing machines, evaluate the safety status of machines, identify the potential risks of machines, and develop action plans to reduce the risks (intrinsic safety, engineering control, and management control), in order to maintain operational safety.

Plant	Number of Units	Total	Proportion of Special Equipment	Risk Analysis Equipment Capacity	Analysis Ratio
Hsinchung plant	11	45	24.44%	42	93.33%
Yangmei plant	4	72	5.56%	72	100.00%
Taichung plant	14	85	16.47%	85	100.00%
Yenshui plant	26	156	16.67%	156	100.00%
Shanghai Walsin	5	99	5.05%	40	40.40%
Jiangyin Walsin (Steel Cable)	6	79	7.59%	64	81.01%
Jiangyin Walsin (Specialty Alloy Materials)	6	55	10.91%	52	94.55%
Changshu Walsin	13	201	6.47%	186	92.54%
Yantai Walsin	16	257	6.23%	124	48.25%

Safety Interlock



- When the machine shows maintenance status, all safety interlocks should automatically reset.
- After the safety interlock is triggered, the equipment must be manually reset or restarted before the equipment can resume normal operation.

Fire and Explosion Proof

We conduct regular inspections of the chemicals used in the entire plant and establish a chemical list (for SDS control and GHS diagram maintenance) annually. We also conduct inspections and replacement of corresponding abnormal fire extinguishing equipment and hold relevant emergency response training on a regular basis to prevent disasters.

Occupational Safety and Health Education and Training

In addition to implementing training in accordance with laws and regulations, necessary training is also conducted according to department operations, on-site tasks, and the needs of the annual safety training program of the business unit. The Company has also established a comprehensive environmental safety license system to keep track of the movement and demand for licenses at each site in addition to regular training plans for safety and environmental responsibilities, fire escape drills, special operations personnel, and emergency response drills.

Area	New employee training	On-the-job training (internal education and training)		On-the-job training (External training, including certification)		Pre-arrival training for outsourced contractors	
	Number of Participants	Number of Sessions	Number of Participants	Number of Sessions	Number of Participants	Number of Sessions	Number of Participants
Taiwan	616	498	8,590	176	382	243	1,836
Mainland China	764	375	7,556	206	943	110	5,220
Malaysia	31	21	309	3	3	0	0
Indonesia	338	215	3,926	24	80	184	3,664
Italy	91	804	6,154	263	1,022	8	629
Total	1,840	1,913	26,535	672	2,430	545	11,349

Note: The types of programs include specialized courses that are added by each plant according to their needs.


Internal Training


Contractor Training


Internal Emergency Drills (including first aid resuscitation)

Occupational Injuries and Diseases

Our company's personnel/medical staff, safety and health, and various departments work together to protect and promote the health of workers, and to regulate the implementation of health examinations for employees in each factory both at home and abroad, so as to independently manage the employees and workers and prevent them from engaging in unsuitable operations. There have been no deaths from occupational diseases or cases of occupational diseases confirmed by a specialist in occupational medicine in the past 8 years.

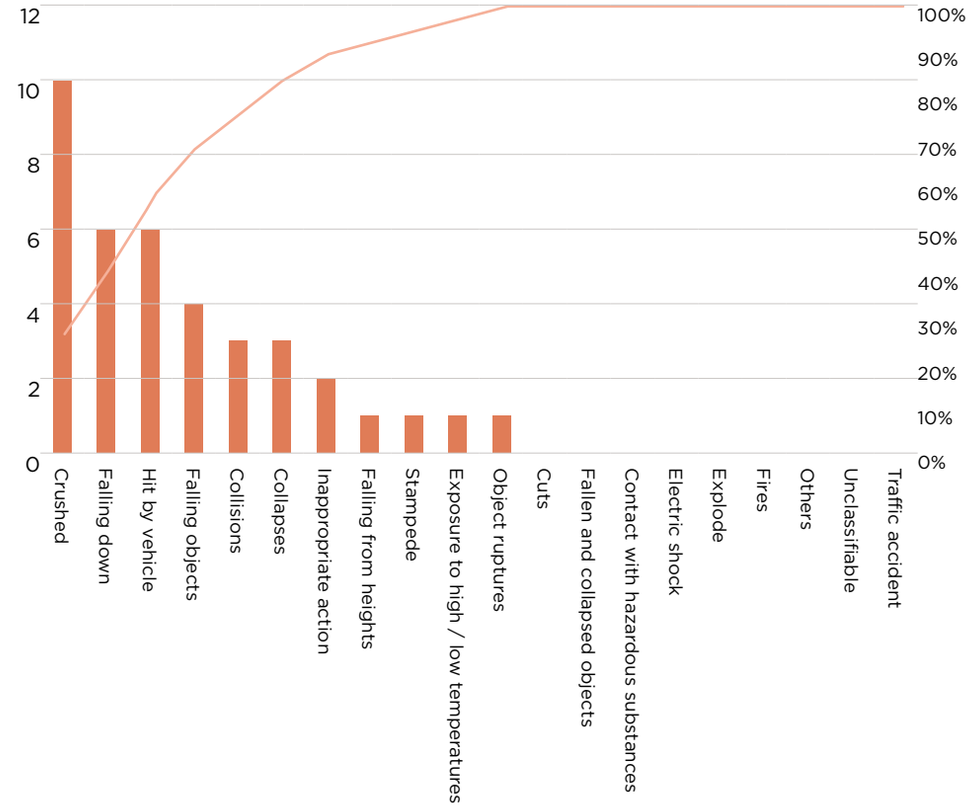
Occupational Accidents

From 2021 to 2023, occupational disasters were reduced through measures such as project inspections, systematic disaster classification, risk assessment and Safe Job Procedures (SJP). Although the number of disasters increased in 2023, the overall disaster severity decreased. In 2024, we will continue to improve and reduce occupational injuries through the ISO 45001 standardized contractor management system and the newly developed cell phone APP inspection feedback mechanism.

Causes of Injuries at Plants

In 2023, there were a total of 84 employee occupational injuries (including minor injuries, but excluding 19 CAS occupational injuries and 31 minor injuries), and the proportion of recordable disasters was 0.55% (the number of occupational injuries as a proportion of the total number of employees). The overall frequency of disasters this year has dropped, but the severity was higher than last year. After analysis, the highest number of cases (91.18%) still occurred among entry-level technical operators, and the main type of disaster was clamp and rolling injury (26.32%), and the related risks and deficiencies have been improved in time through hardware protection and management measures. We plan to improve the safety of LECD equipment in 2024 to reduce equipment "clamping" hazards, improve SJP operation safety operating procedures to reduce "collision" hazards, and optimize the 5S environment to reduce the risk of "falling" in the aisles. Through "Kiken Yochi Training (KYT)" method, we hope to enhance the hazard awareness of "entry-level employees" and reduce the occurrence of injuries. In 2023, there were no fires, chemical leaks, or fatal work-related injuries in the company.

Injuries that Occurred within the Plants in 2023



Statistical Analysis of Occupational Injuries in Plants

	Year	Total hours worked	Number of Injuries			Percentages		
			Deaths	Severe Occupational Injuries	Recordable Occupational Injuries	Deaths	Severe Occupational Injuries	Recordable Occupational Injuries
Employees	2020	10,958,500.0	1	3	36	1.83%	5.48%	65.70%
	2021	11,348,042.0	0	1	35	0.00%	1.76%	61.68%
	2022	15,798,983.4	0	1	51	0.00%	1.27%	64.56%
	2023	18,936,620.5	0	4	57	0.00%	4.22%	60.20%
Non-Employee	2020	1,530,514.0	0	0	3	0.00%	0.00%	39.20%
	2021	3,846,152.0	0	1	3	0.00%	5.20%	15.60%
	2022	1,772,632.7	0	0	0	0.00%	0.00%	0.00%
	2023	1,962,465.7	0	0	18	0.00%	0.00%	183.44%

Formula: Death rate caused by occupational injury = Number of deaths/Actual hours worked × 200,000

Rate of serious occupational injuries (excluding fatalities) = Number of people on work-related injury leave for more than 6 months/Actual hours worked × 200,000

Recordable occupational injury rate = Total number of occupational injuries /Actual hours worked × 200,000

Actual hours worked= Scheduled work hours + Overtime hours – All hours on leaves

Note 1: The number of days means workdays. The number of lost workdays is the number of days beginning the next day of an accident. The number of occupational injuries does not include traffic accidents on the way to and from get off from work or any minor injury not resulting in one lost workday.

Note 2: The above information include CAS. In 2023, there were a total of 19 occupational disasters that can be recorded by CAS employees, including 1 serious occupational disaster, and a total of 16 occupational disasters that can be recorded by non-employees.

Compliance with Occupational Safety and Health Laws and Regulations

Materials Topics

In 2023, there were five violations of majornote occupational health and safety laws and regulations at the plants in Taiwan, and the fines for the violations was NT$600,000, respectively. (No violations in Mainland China and Southeast Asia)

Walsin Lihwa shall continue reviewing every accident and penalty to focus on high-risk hazardous operations, highly frequent false alarms, and potential threats. Relevant projects and leveraging information technologies are also expected to help step by step strengthen employees' safety awareness, stay on top of the status of machine and equipment, and effectively control raw material and chemicals by compliance cloud implementation to continue work environment improvement.

Plant	Cause	Violation	Improvement	Amount of Fine
Yenshui plant	Occupational accident	Article 6-1 of the Occupational Health and Safety Act	•The discharge port of the H9 cutting machine began to improve the equipment to prevent the bar from getting stuck in the corner of the MC seat. •Re-conduct the risk assessment of the H9 cutting machine and formulate the corresponding SJP. •Implement safety and health education and training to enhance employees' operational safety awareness. •Move the chamfering and grinding operation out of the production line without checking the safety of the online operations.	NT$100,000
Yenshui plant	Occupational accident	Article 6-1 of the Occupational Health and Safety Act	•The operation mode is adjusted, and the self-produced material is loaded into barrels. A single operator drives the claw machine and the excavator hands clamp the oil barrels. Promote the prohibition of using excavator clamps to hang with wire cable hangers. •Compile the Chinese/Thai version of KYT for self-produced material barreling operations, and arrange daily drills for Thai labor assignment calls.	NT$100,000

Plant	Cause	Violation	Improvement	Amount of Fine
Yenshui plant	Occupational accident	Article 6-1 of the Occupational Health and Safety Act	•After the on-site platform is washed and cleaned, water must be removed immediately. •If production personnel fail to remove water or residual oil stains from the equipment or ground, colleagues must immediately report to the supervisor for coordination and clean up the on-site environment before starting operations. •Shift meetings to strengthen publicity to colleagues.	NT$200,000
Taichung plant	Occupational accident	Article 6-1 of the Occupational Health and Safety Act	•Add a non-detachable fence to prevent people from entering. •Block possible climbing areas; To be discussed with the mechanical repair team. •Promotion during education and training and shift meetings. •Synchronously inspect other production lines (horizontal expansion improvement) and produce them together.	NT$100,000
Yenshui plant	Occupational accident	Article 6-1 of the Occupational Health and Safety Act	•Review the scope of the tailing material return operation and revise the safety operating standards, and conducted education and training on standard operating procedures for colleagues on November 3. •The repairs were completed horizontally at the end of November, and Interlock can maintain the power-off state for all equipment in manual mode. •Interlock has been included in daily inspection items before the end of November.	NT$100,000

Note: The criteria for disclosure of material penalties are NT$100,000 and RMB$22,000 respectively.

2.4.3 Contractor Management and Auditing

Cooperation with Contractors for Workplace Safety Improvement

	Hsinchung plant	Yangmei plant	Taichung plant	Yenshui plant	Shanghai Walsin	Dogguan Walsin	Jiangyin Walsin (Steel Cable)	Changshu Walsin	Yantai Walsin	Total
The number of contractors entering the plant	974	4,126	837	5,389	215	172	868	1,836	2,094	16,511
Number of cards issued	200	1,044	326	1,572	40	49	299	605	897	5,032
Number of improvements in notification of deficiencies	11	69	56	502	2	0	39	36	9	724
Number of fines and penalties issued	0	0	2	59	0	0	12	14	11	98
Number of occupational injuries	0	0	0	0	0	0	0	0	2	2

All Walsin factories in Taiwan and Mainland China implement the "Walsin Lihwa Contractor Management Principles". All contractors must sign the "Environmental Safety and Health Commitment Agreement" and abide by the "Contracting Instructions" (100% coverage), and hold regular start-up meetings with the contractors. During the agreement meeting, the contractor must receive relevant training before being qualified to enter the plant. The contractors' entry information is managed through the "Contract Management System". In 2023, contractors entered the plant 27,324 times, with a total working time of 1,381,069 hours. Each plant continues to implement the "Walsin Lihwa Contractor Safety and Health Management Blue Book", "Standardization of Contractor Safety and Health Management Regulations", "Contractor Insurance Regulations" and access control, etc. A total of 724 notification of deficiencies and improvement orders and 98 violation tickets were issued. Two work-related injuries occurred in Yantai in 2023. The relevant deficiencies have been immediately improved, and the advocacy of key issues has been completed.

In 2023, no contractor had a fire emergency in the working environment of the Walsin plants.

Contractor Safety and Health Management

2.4.4 Foci on Occupational Health and Safety

Each year, Walsin designs a feasible employee health promotion plan, conducts health inspections and analyzes the results based on risk management and the plant's hazardous operations and special operation groups (noise, free radiation, dust, high-temperature, lead, manganese, nickel, and n-hexane operations), and establishes a health protection plan for the hazardous operations to ensure a good workplace environment and to prevent the emergence of occupational illnesses.

Through health promotion lectures and activities, we improved employees' health awareness and guided employees to change into healthy behaviors and habits and obtained the correct knowledge on hygiene. A total of 115 health education lectures were held in 2023, with 4,142 participants. Another 8 pregnant female employees received maternal labor health protection.

Meanwhile, each plant actively establishes a healthy work environment and implements various workplace health promotion initiatives. This effort has been widely recognized, including awards such as the "Excellent Healthy Workplace - Vibrant Energy Award" and the "Health Workplace Certification Health Promotion Logo" and"Excellent Certification for Breastfeeding Rooms" at the Taipei headquarters, as well as the "Safety Zone Certification" at the Hsinchuang plant.

115 health education lectures

4,142 participants

Employees health management throughout the company
2,786 people

New Employee Health Management
337 people

Workers involved in tasks with special health hazards
848 people

Health Promotion Activities

16 sessions
1,002 participants


【Yangmei Plant】
GYROKINESIS exercise


【Yenshui Plant】
Yoga bricks

Seminars on Health Issues

30 sessions
718 participants


【Hsinchuang Plant】
Nutrition for building muscle and losing fat


【Yenshui Plant】
Balanced diet and healthy posture

Safety and Rescue Education and Training

60 sessions
1,777 participants


First aid training CPR+AED
【Taipei Head Office】


Training on how to use a sling
【Taichung Plant】

Blood Donation

9 sessions
645 participants
1,054 bags of blood


【Taipei Head Office】


【Hsinchuang Plant】


【Yenshui Plant】


【Taipei Head Office】


【Hsinchuang Plant】


【Taichung Plant】

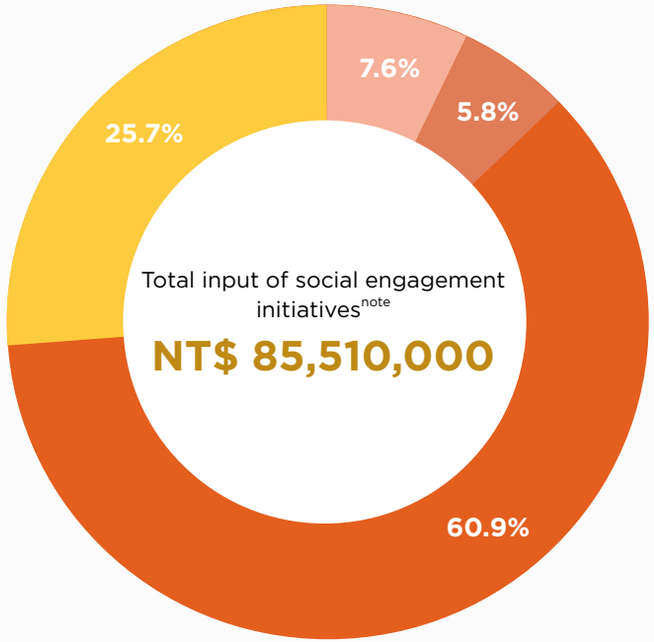

【Yenshui Plant】

2.5 Social Engagement

2.5.1 Social Engagement Policy

Years of commitment to public interest and welfare at Walsin Lihwa has incorporated sustainable development into one of the company's core values. Walsin Lihwa not only pursues ongoing business growth but also dedicates itself to community communion, care for the underprivileged, environmental conservation, neighborhood improvement, and corporate citizenship. Walsin Lihwa employees take part in various events to personally take care of the underprivileged, fulfill corporate citizenship, help resolve social development issues, and expand their positive influences from where they work to nearby communities and beyond.

Social engagement aspects of Walsin Lihwa



Care for the Underprivileged **NT$ 6,530,000**	•Assisted schools in developing sport and music education through the "Light Up the Corners throughout Taiwan Project" •Cooperate with the Give Child A Hand Association •ONE Mall's Public Interest Activities •Sponsorship of child welfare organizations	Students in remote rural areas The underprivileged NPOs
Environmental Conservation **NT$ 4,920,000**	•Taiwan organic kiwi fruits contracted planting project •Promoting the conservation of Taiwan's native plant resources •Promotion of food and agricultural education as well as ecological protection	Young farmers Schools and research institutes
Neighborhood Improvement **NT$ 52,100,000**	•Provided newspapers and study aid at elementary and junior high schools •Helped make neighborhoods more beautiful •Supported local cultural, folk, and public interest events •In 2023, we sponsored the Indonesian IMIP Sustainable Development Foundation with NT$ 48.24 million to promote education, culture, sports, rural infrastructure, environmental protection, and medical activities.	Municipal departments of environmental protection, district administration offices, neighborhood administration offices, as well as police and fire departments Community development associations Folk culture organizations Community residents, and the underprivileged Local small farmers and social enterprises
Corporate Citizenship **NT$ 21,960,000**	•Support for the Walsin-NTU Innovation R&D Center and academia-industry cooperation. •Support for local art and cultural development •Actively participated in social, economic cooperation and ESG institutions	NPOs Schools at all levels and research institutes Art, cultural, and sports organizations Vocational school students

Note: The above are direct investment, excluding resource sponsorship, agricultural products subscription, contracted planting, and volunteer hours.

2.5.2 Empathizing with the Underprivileged

A progressive society requires balanced development in every aspect. In this regard, Walsin Lihwa started with providing education opportunities and good quality of education to underprivileged children to help sow seeds of hope for the future. Walsin Lihwa continued funding the Light up the Corner Throughout Taiwan Project and donating to 12 child welfare organizations in Taiwan. Various charity activities and parent-child road runs are held regularly every year at One Mall and Huadengfang in Nanjing.

"Light Up the Corners throughout Taiwan" Project

The long-term sponsorship has helped five schools in remote rural villages in north, central, and south Taiwan to perfect their facility and teacher quality to develop featured music and physical education. Walsin Lihwa's commitment to taking care of the underprivileged and elementary education helps fulfill corporate citizen responsibilities and provide feedback to society. The company looks forward to continuously providing its resources to help more people and light up the corners throughout Taiwan.

1	**(Hsinchu) Guangwu Junior High School** Stream Trekking, Mountain Hiking, Snorkeling, and Cycling	Outdoor programs such as stream trekking, cycling around Taiwan, and Hehuan Mountain hiking arranged in 2023 for students to exercise physical strength beforehand with history, humanities, physical education, and ecology courses provided to them throughout the programs to enable real-world learning by using five senses to perceive the environment and learning from nature.
2	**(Yilan) Datong Elementary School** Youth Baseball, Percussion	Active engagement in music and athletics education to encourage interested students to organize a junior baseball team and percussion band; the baseball team's participation in the Care for Aboriginal Cup and other competitions with the 4th place won in the junior section at the Taichung Chaoma International Football Festival; and the percussion band's applauded performance at a cultural fair event to help exercise the mind and body while expanding vision.
3	**(Hualien) Huaren Junior High School** Youth Baseball, Percussion, Soccer, Track and Field, Dance	Great performance of the school's junior and youth baseball, soccer, and track and field teams, dance ensemble, and percussion band in various competitions including the junior and youth baseball and soccer teams' participation in national competitions on behalf of the Hualien County, the dance ensemble's championships at a Hualien County folk and modern dance competitions, the percussion band's applauded performance in the county, and the track and field team's championships at the county's 100- and 400-meter relays.
4	**(Pingtung) Taiwu Elementary School** Violin, Piano	Piano and violin clubs to stimulate students' interest for them to develop their special potentials; performance at the school's anniversary sports meet, Christmas event, and the Taiwu Village sports meet; as well as first-ever participation in the Pingtung County Music Competition to inspire children to learn, improve their talents, and show what they are best at.
5	**(Pingtung) Gaoshi Elementary School** Ancient Ballads Troupe, Soccer, Judo	Ongoing development of talent education in 2023 including ancient ballads, soccer, and judo; the ballad ensemble's participation in the Two Peak Channel's 100th anniversary celebration, the Pingtung County Aboriginal Harvest Festival, and Mudan Township Grassland Concert; the soccer team's runner-up at a popularized soccer match; and the track and field team 's runner-up in the race, high jump, and shot put events and 5th place in the team relay race at the county's elementary and junior high school sports meet.

Documentary Film I

Documentary Film II

Documentary Film III

Documentary Film IV

Care for the Underprivileged

Walsin Lihwa and its employees consider the education for children very important, and the company regularly donates to the World Vision Taiwan, Taiwan Fund for Children and Families, Lian Xin Yuan Social Welfare Foundation, and Chinese Children Home and Shelter Association; a total of NT$1,600,000 was donated to the 12 children welfare organizations in 2023.

Year-End Reunion Arranged by Yenshui Plant for Taiwan Fund for Children and Families

In January 2023, the Yenshui plant of Walsin Lihwa worked with local businesses to arrange a year-end reunion for those who are taken care of by the North Tainan Fund for Children and Families and provide a sumptuous hot pot feast, Chinese New Year gifts, and red envelopes to celebrate the upcoming Chinese New Year with about 150 participating adults and children. As the Covid-19 impact has made the life of underprivileged families even harder since the last few years, the Fund for Children and Families extended gratitude to Walsin Lihwa and its local business partners for the reunion arrangement to help the children and parents in need enjoy the Chinese New Year beforehand.

One Mall's Public Interest Activities in 2023

One Mall in Hexi New Town, Nanjing is a shopping complex run by Walsin Lihwa. One Mall started to engage in social welfare and conduct various social care events in 2015, combining mall operations each year to plan and execute various caring activities. In 2023, One Mall provided 6 social care events, which had more than 8,100 participants and raised approximately RMB$12,106 for welfare causes.

February

Pet Adoption Day in Nanjing

One Mall supports and promotes the concept of 'caring for stray animals, adopting instead of purchasing pets' , collaborating with Bank SinoPac (China) and the organization Nanjing Adoption Day to organize the 44th, 53rd, and 61st 'Nanjing Pet Adoption Day' events along with the launch of the 'One Mall Love Pet Program,' with approximately 5,000 participants engaging in this meaningful adoption initiative.

June

Heartwarming Charity Sale for Children's Day on June 1

A flea market with a charity sale event held by One Mall together with the Amity Foundation and Manulife Sinochem to celebrate Children's Day, in which participants included 66 families and about 500 people.

Charity Sale of Gardenia

One Mall's 7th charity sale of gardenias, in collaboration with Water Drop Public Welfare for rural campus renovation, attracted about 1,600 participants to the sale for Tacheng Elementary School in Weixi County, Yunnan.

October

Mid-Autumn Festival Family Road Run and Charity Sale

About 1,000 participants in an ongoing family road run event leveraging the Mid-Autumn Festival and National Day holidays together with a charity sale of pre-owned goods, donated by the Amity Foundation to help take care of orphans.

2.5.3 Caring For Ecology

Promotion of the Protection and Restoration of Taiwan's Endemic Plants

Walsin Lihwa promotes Taiwan native plant conservation and collection as well as development of conservation management personnel by working with the College of Agriculture and Natural Resources, National Chung Hsing University to build a seedling cultivation net house and an open seedbed. Efforts are directed towards reforestation, environmental education, conservation and promotion, and protection of Taiwan's diverse plants and animal species. In order to become more focused on the project implementation, we have established the Huabao Conservation and Breeding Co., Ltd. with Winbond Electronics Corporation in 2018. Huabao will focus on Taiwan's forest protection and endemic plant restoration. In 2023, the 1st phase collection of 24 varieties of Taiwan tea was completed and followed up with relevant hardware and software implementation as well as cultivation skill training.

Nature and Ecology Lecture

In 2023, a nature and ecology lecture took place respectively at the Hsinchuang and Taichung plant. The lecture at the Hsinchuang plant focused on the local environment to introduce Hsinchuang's special geology, terrain, hydrology, ecology, and famous scenic spots to embark on a journey of history, culture, nature and ecology along the local historical and ecological context. The Taichung plant focused on environmental friendliness and invited a lecturer from the Society of Wildness to introduce different ecological appearances as well as the complex interdependence and coexistence between them and the environment. Taiwan's endemic plants in central Taiwan were also introduced to encourage employees to go outdoors to understand and appreciate the humanities and natural environment around them to better cherish where they live and work.



Support for Local Agriculture and Environmentally Friendly Farming

Agriculture in Taiwan faces not only an aging labor force and competition from imported agricultural products but also chronic draughts or rainstorms resulting from extreme climate events. Supporting environmental and ecological protection as well as local agriculture development, Walsin Lihwa commenced cooperation with the 'Young Farmer of Chunghao Farm' since 2021 for contracted farming of Taiwan endemic kiwifruits, and helped produce and release a documentary -- Kiwifruits' Multiple Choice Question -- along with a feature story on environmentally friendly farming of kiwifruits in 2023 to explore sustainable planting of kiwifruits at TaiwanKiwi to decrease waste and carbon emissions. Media exposure of the documentary and feature story has increased public awareness of the land of Taiwan and local agriculture development.

"Multiple choice question of Kiwi fruit" video

Promotion of Food and Agricultural Education

Organic Food Market

Walsin Lihwa's Always Healthy lecture series in 2023 promoted green eating through lectures and videos. The organic farmers' market event at the Taipei head office on a regular basis since 2012 was relocated to the Hsinchuang plant, where Taiwan small farms and craftsmanship brands were invited to bring their organically grown, non-toxic fruits and vegetables, inhouse-made agricultural products, elaborate old-fashioned desserts, and healthy natural dried fruits for the employees there to enjoy very fresh in-season flavors.





Lecture on Seafood Sustainability

Taiwan is surrounded by seas on all sides and benefits from abundant fishery resources, but how to identify ocean-friendly seafood is important in addition to savoring such food. The lecture introducing to employees the principles of how to select the fishes caught as well as seafood sustainability was intended to help employees know what they can do for ocean resource preservation to help enable fishery industry sustainability.


Vegan Day Helps Protect the Earth

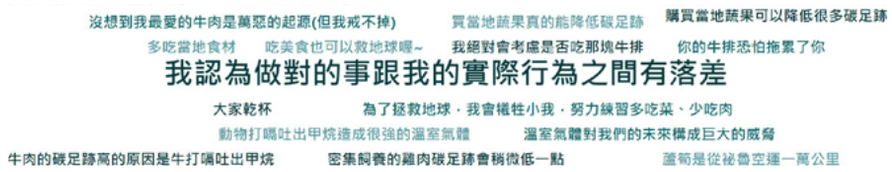
Supporting the World Vegan Day, Walsin Lihwa organized its first Vegan Day at locations in Taiwan. Approximately 460 employees took part in the event to help carbon reduction by starting from eating. As a result, 154 kgs of CO_2 were decreased, equivalent to the CO_2 emission from a car that has travelled two-thirds around Taiwan. The Walsin Lihwa Vegan Day was intended to encourage employees to decrease animal-based diets and increase vegetable intakes to eat simply, low carbon, and more healthily, so that carbon emissions can be decreased by effectively changing personal diet habits as well as energy saving and carbon reduction to help protect the earth.



Energy Saving and Carbon Reduction Series of Walsin Cinema: Feast to Save the Planet

In 2023, Walsin Lihwa invited the employees at its 5 business locations in Taiwan to watch the movie Feast to Save the Planet online to help understand the relation between food and carbon emissions through the easy and fun movie, so that they can easily eat locally and in season to help reduce carbon emissions through daily dieting.

Participant Feedback Sharing



2.5.4 Community Outreach

Individual plants of Walsin Lihwa continue paying attention to and assessing the social and environmental opportunities and risks in their respective communities, where they support local culture and relevant events, take care of the underprivileged, effectively use available resources at the plants to promote community development. What they engage in includes:

Newspapers + Study Aid at Elementary and Junior High Schools

In 2014, Walsin Lihwa commenced cooperation with the Mandarin Daily News to provide the newspaper to elementary and junior high schools near its plants in Taiwan. Teachers introduce relevant topics reported in the newspaper to students to broaden their visions through interactive discussions. Moreover, Walsin Lihwa started to work with the PSA Charitable Foundation and the Mandarin Daily News' Bilingual Youth Journal in 2019 to enable bilingual newspaper reading to help strengthen students' aural and reading comprehension, oral fluency, and writing proficiency as well as their interest in reading and what happens around the world.

Walsin Lihwa also continued its donation to schoolwork guidance at 5 elementary schools in Yenshui to help bridge the urban-country divide in education.

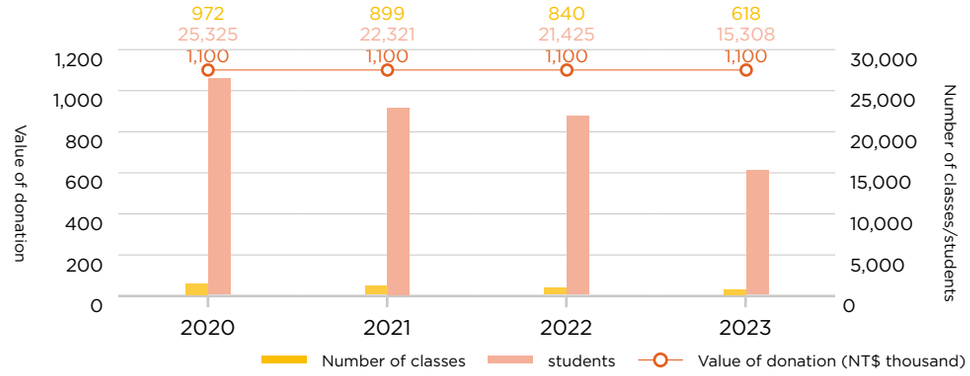
Total value of sponsorship in 2023: **NT$443,127**

Elementary and Junior High Schools Participating in Newspaper Reading in 2023

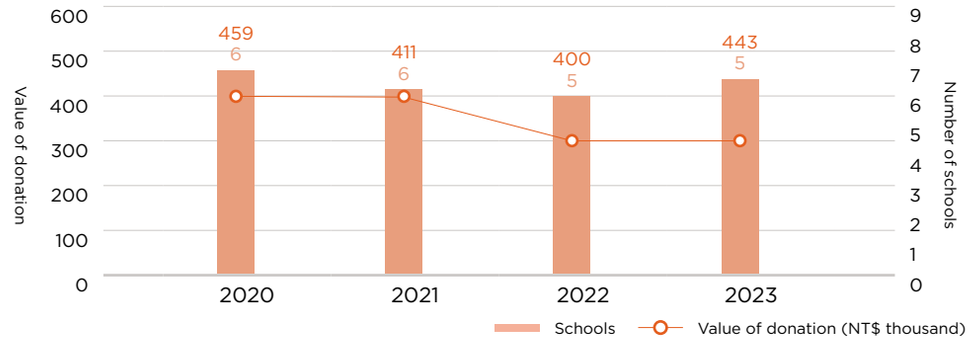
Newspaper Reading

New Taipei City	2 Schools	3 Classes		
Taoyuan	4 Schools	6 Classes		
	12 Schools	26 Classes	Bilingual	
Taichung	2 Schools	2 Classes		
Tainan	8 Schools	66 Classes		
Kaohsiung	1 Schools	1 Classes		
	24 Schools	514 Classes	Bilingual	
Newspaper Reading	17 Schools	78 Classes	1,218 Students	
Bilingual	36 Schools	540 Classes	14,090 Students	

Results of the Elementary and Junior High School Newspaper Reading Project



Results of Schoolwork Guidance Plan for Elementary Schools in Yenshui District



Volunteerism for Assistance in Newspaper Reading

In April 2023, the Taichung plant commenced its employee volunteerism for assistance in newspaper reading. 25 employee volunteers went to Wuqi Elementary School and played reading challenge games with the students there. In December, 30 employee volunteers from the Yenshui plant visited Huanya Elementary School. At the 2 schools, their respective interaction with more than 100 students from the 1st to 6th grades covered sciences, languages, and current events in an educational yet entertaining manner to help concretize knowledge, stimulate students' interest in learning, and open a window to the world for them.

Making Neighborhoods More Beautiful

Our plants in Taiwan support local community environment cleaning, sterilization, and show appreciation to environmental volunteer group. The plants have also continued to give back to local communities by cleaning, maintaining, greening, and beautifying nearby roads or parks, providing local communities with an excellent environment and cityscape.

We spent a total of **NT$1,315,984** in 2023.

Taipei Head Office	Recognized as a "Green Resource Tree Adoption Role Model" by the Taipei City Government for its adoption of greenbelts and sidewalks within the vicinity of Songzhi Park.
Hsinchuang Plant	Adopted a triangle-shaped piece of green land nearby and trimmed trees outside the factory area.
Yangmei Plant	Recognized by the Civil Affairs Office Yangmei District for its adoption of a local greenbelt since 2015 to start a monthly clean-up of an adjacent road.
Taichung Plant	Adopted Jing 3rd Road and engaged in sidewalk cleaning and tree maintenance. We jointly adopted Dongfeng Green Corridor Bicycle Path and Liyuan Park Phase I & II (Taiping District) in response to the Taichung's City Government "air quality cleaning zone" event since 2018. In 2023, the plant won the Taichung Environmental Protection Bureau's High Distinction and Excellence Awards.
Yenshui Plant	Recognized by the Tainan City Government as an outstanding company for adoption and planting of nearby roadside trees, environment cleaning, drainage channel dredging, and nearby community park maintenance since 2014.

Support for Local Events

In 2023, the plants in Taiwan took part in or supported a total of 111 significant local cultural events to help take care of the underprivileged and strengthen community relations. The events included Lantern Festival, Dragon Boat Festival, and Mid-Autumn Festival celebrations as well as children's home support, care for elderlies, gratitude extended to police and firefighters, and community environmental education to help contribute to local community development.

Support for Taiwan Local Famers and Social Enterprises

Every year the Employee Welfare Committee promotes buying directly from small famers to buy natural and healthy agricultural products as festival gifts for employees. The 2023 Dragon Boat Festival and Mid-Autumn Festival gifts were bought from Taiwan local lotus root and tea farmers as well as Children Are Us Bakery House to support local farmers and social enterprises.

2.5.5 Corporate Citizenship

Driving Industrial, Economic, Technological and ESG Development

To drive social development, economic cooperation and exchange, and fulfill its CSR, Walsin Lihwa is actively participating in social and economic cooperation institutions (such as the Chinese International Economic Cooperation Association, Epoch Foundation, Cross-Strait Peace Foundation, Chinese National Association of Industry and Commerce, Taiwan, The Third Wednesday Club, Cross-Straits Common Market Foundation and the Cross-Strait CEO Summit, Taiwan Center for Corporate Sustainability, CommonWealth Magazine Sustainability Association), thereby showing the corporate spirit of social inclusion.

Support Industry-Academia Collaboration

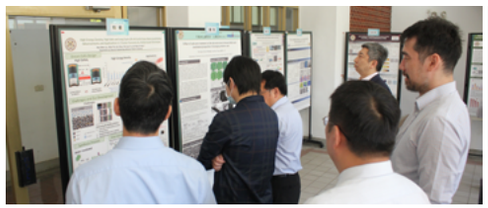
Walsin Lihwa actively collaborates with academic institutions such as National Taiwan University, National Cheng Kung University, National Chung Hsing University, and Chung Yuan Christian University, among 8 universities, in areas covering product innovation development and production management, EMBA, and Taiwan native plant conservation and breeding. By combining the needs of enterprises with the strength of academic research institutions, we can cultivate talents for enterprises and increase the added value of products and the performance of management services.

Sponsored Wire Materials for the Workforce Development Agency's "National Skills Competition"

The Ministry of Labor organizes the "National Skills Competition" every year, providing a professional stage for the best performers in various occupations to compete on the same stage, and selects the best young participants with outstanding skills to represent the country in international skills competitions. The Wire & Cable Business sponsored the wire materials for the 53rd National Skills Competition in the Industrial Control (industrial wiring) category to support the development of vocational training and technical education.

Walsin-NTU Innovation R&D Center

On May 29, 2023, the R&D innovation center established by Walsin Lihwa and the National Taiwan University (NTU) held its 2nd sustainability poster competition award presentation ceremony together with a forum. The competition theme focused on green energies and stainless steel materials. More than 70 students, 30 research teams, and 14 universities with 59 research works signed up for the competition. Deputy Director General of the Digital Transformation Research Institute, Institute for Information Technology was also invited to deliver a keynote speech on hydrogen energy and net-zero development in Japan to share Japan's hydrogen energy and net-zero policies, approaches, and industry status quo while exchanging opinions on green metallurgy, submarine cables for wind power generation, and hydrogen energy at the forum to strengthen R&D momentum for the areas of future development.



Support for National Intercollegiate Athletic Games' Track & Field Venue Renovation

Supporting sports development in Taiwan, Walsin Lihwa donated NT$ 1 million to Chung Yuan Christian University for the renovation of its track and field venues, to be used for the 20 track and field competitions of the 2023 National Intercollegiate Athletic Games to effectively enable competition for elite athletes from various colleges and universities as well as student exercises after the games.

Environmental and Ecological Protection

Furnace slags resulting from stainless steel production and steelmaking at Walsin Lihwa are all processed by legal recyclers and filed with regulatory authorities. Over the past few years, Walsin Lihwa has been strengthening promotion of circular economy through R&D of furnace slag recyclability by establishing Waltou Green Resources qualified for furnace slag recycling. Waltou Green Resources provides products for road construction and other infrastructure projects, and the products have been proved effective in relevant industry applications and Asphalt Concrete (AC) road pavement.

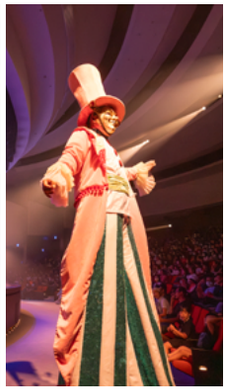
In 2023, Waltou Green Resources was contracted by the Tainan City Government with guidance provide by its Environmental Protection Bureau to help process abandoned furnace slags in Houbi,Tainan to fulfill corporate citizenship by applying the furnace slag recyclability R&D results to furnace slag clearance and subsequent reuse. Successful completion of the assignment is expected to help use the particles of recycled slags in geotechnical engineering and construction materials to make good use of the outstanding quality of such particles in road and infrastructure construction, and facilitate resource recycling strategy implementation for effective net-zero emission technology development.

Support for Taiwan Art and Cultural Groups of Great Originality

Arts Performance on Walsin Lihwa's Employee Family Day in 2023

Walsin Lihwa supports performing arts in Taiwan to promote the sustainable development of local art and cultural groups. To encourage employees to take part in art and cultural events, the 2023 employee family day had 4 fantasy circus party events in Taoyuan and Yunlin, where more than 4,500 employees and their families from the Taipei head office, Hsinchuang plant, Yangmei plant, Taichung plant, and Yenshui plant, along with 120 children and adults from the North Tainan Taiwan Fund for Children and Families were invited. The combination of the employee family day with art performances was intended to extend gratitude to employees for their hard work and their families for their support while promoting the social value of art and culture to Taiwan by providing substantial encouragement to art and cultural groups.



Sponsored group: Formosa Circus Art #Venue: Taoyuan Arts Center, and YunTay Performance Hall
Monetary value of sponsorship: NT$5,190,476

"BIG" Movie Appreciation Party

Supporting outstanding local art and cultural works, Walsin Lihwa booked a cinema venue in November 2023 and invited more than 130 of its Yenshui plant employees and their families to watch the movie "BIG", director Wei Te-Sheng's latest masterpiece.

The movie depicts how 6 children with cancers at a hospital ward with their lives on the line experience conflicts among themselves as well as their families but then develop mutual support to demonstrate the warmth of humanity and hope for life. The event was intended to help local audiovisual works be seen by more people and also remind employees to care for the people around them and cherish the happiness they have now.


Sponsored team: Director Wei Te-Sheng and ARS Film Production
Venue: VIESHOW Cinema, Chiayi # Monetary value of sponsorship: NT$35,910

Beijing Opera Fusion Blossoms: Resonance across Heaven and Earth

Traditional Chinese operas can help contemporaries understand ancient times and should be conserved and cherished. Supporting the succession of traditional Chinese operas, Walsin Lihwa sponsored the production of Fusion Blossoms: Resonance across Heaven and Earth by the Wei Haimin Chinese Opera Foundation to help promote traditional Chinese operas and help more people appreciate the beauty of such operas.

Sponsored group: Wei Haimin Chinese Opera Foundation # Venue and date of performance: Main theater, Taiwan traditional Theater Center in March 2024 # Monetary value of sponsorship: NT$200,000

Sustainability Management and Value Innovation

overnance

Aspect	Objectives for 2023	2023 Results	Objectives for 2024
Sustainability Promotion Strategy: Commitment to business integrity and ongoing improvement of corporate governance to strengthen stakeholders' trust to Walsin Lihwa. Implementation Guidelines: Promote business integrity by strengthening ethical management and compliance, provide relevant education and training, improve and perfect related regulations and systems, ensure effective implementation of ethical management, establish anti-bribery management mechanisms, and identify the high risks associated with business integrity violations at individual plants to accordingly develop preventive measures.			
Business Integrity	• Compliance with the latest domestic and foreign ethical management policies or regulations, and improvement of employee confidentiality awareness and decrease of labor disputes and other risks through education and training on information confidentiality, personnel-related laws and regulations, and the Fair Trade Act. • Ongoing implementation of intellectual property management and confidentiality management at the plants in Mainland China, and regular updates of company rules and regulations to stay abreast with the latest domestic and foreign law changes and trends of business integrity. • Ongoing requirement for all employees to sign the statement of compliance with the Procedures for Ethical Management and Guidelines for Conduct, and effective recusal by the 2nd degree relatives. • Implementation of countermeasures against the unethical conduct risks identified by risk assessment, and ongoing examination of the high risks associated with unethical conduct.	• The number of people who attended and completed the education and training on ethical management provided to the board of director, senior management, and employees in general in 2023: Intellectual property right (including the Taiwan Intellectual Property Management System): 1,083. Trade secret: 1,146. Insider trading prevention: 1,257. Evidence preservation: 1,340. Ethical management: 1,353. • Promotion at domestic and overseas supplier conferences: 186 major suppliers including 73 key suppliers. • Class A certification by the Taiwan Intellectual Property Management System for three consecutive years, and optimization of trade secret management. • Monthly reports on law changes and sustainability trends provided to the Board of Directors. • Percentage of the employees who signed the statement of compliance with the Procedures for Ethical Management and Guidelines for Conduct: 100% in Taiwan and 100% In Mainland China. • Ongoing implementation of recusal by the 2nd degree relatives. • Assessment of the unethical conduct risk at Yantai Walsin Stainless Steel: Low integrity risk.	• Risk management enhancement through quarterly risk managent meetings, real-time risk mamagement at plants, ongoing implementation of recusal by the 2nd degree relatives, and ongoing requirement for all employees to sign the statement of compliance with the Procedures for Ethical Management and Guidelines for Conduct. • Tax disclsure platform implementation to facilitate tax analysis, tax auditing, and tax knowlede mamagement to strengthen tax transparency. • Optimization of corporate governance and risk management to stay abreast with international sustainabilty rating standards and contiune receiving third-party certifications such as the ISO certification.

Aspect	Objectives for 2023	2023 Results	Objectives for 2024
Sustainability Promotion Strategy: Comprehensively implement and strengthen supplier sustainability management to mutually grow with our business partners. Implementation Guidelines: Effectively implement supplier management mechanisms to develop a sustainable supply chain.			
Sustainable Supply Chain	• Supplier conferences for ongoing communication of Walsin Lihwa's sustainability management policy with carbon management experiences shared by the suppliers invited. • Completion of field and questionnaire surveys of 5 key suppliers to improve the high-risk projects identified by the surveys and also provide improvement guidance to them. • Ongoing supplier conferences to strengthen green supply chain management. • Ongoing development of new qualified suppliers.	• An expanded supplier conference respectively in Taiwan and Mainland China. • Effective implementing of field surveys of 27 key suppliers with guidance provided to them accordingly, and unscheduled visits to 79 suppliers to strengthen partnership. • Successful development of substitutes for important raw materials along with 34 new suppliers. • Price inquiry platform establishment at Yantai Walsin Stainless Steel by new procurement module system implementation to enable ethical and transparent procurement.	• Selection and recognition of 10 outstanding suppliers respectively from Taiwan and Mainland China for effective implementation of a supplier conference respectively in Taiwan and Mainland China. • A field survey of 24 key suppliers with guidance provided to high-risk suppliers, and unscheduled sits to 83 suppliers. • Low-carbon alliance promotion in conjunction with environmental and safety management to help reduce carbon emissions together with 13 key suppliers. Development of substitutes for 21 important raw materials along with 94 new suppliers. Collection of 170 raw materials' carbon emission data.
Sustainability Promotion Strategy: Continually engage in customer-centric innovation and R&D, improve production and service models and strive to create value for customers. Implementation Guidelines:The Wire and Cable Business Group develops smart logistics and new service models to meet customer needs.			
Customer Service	• Production capacity expansion to increase the number of customers served.	• Significantly relieved shortages of service and delivery manpower, according to customer feedback. • New types of service used by 80% of target customers.	• Supply chain collaboration platform implementation together with customers. • Development of customer service platform visualization.

Aspect	Objectives for 2023	2023 Results	Objectives for 2024
Sustainability Promotion Strategy: Continually engage in customer-centric innovation and R&D, improve production and service models and strive to create value for customers. Implementation Guidelines: The Stainless Steel Business Group's focus on customer and industry development, service process optimization, and customer trust enhancement to create a win-win situation.			
Customer Service	• Ongoing development of high-value products and industrial customers, and electronic synchronization system implementation to strengthen customer operation efficiency.	• Many industrial steel grade and product certifications acquired in Taiwan, Mainland China, and overseas markets. • Electronic synchronization system activation by the first customer to engage in system optimization and development of new functions together with Walsin Lihwa.	• Increase of the percentage of niche products to strengthen customers' competitiveness by local service and digital integration.

Highlight

Among the top **5%** in the Corporate Governance Evaluation and the top 10% of non-financial and non-IT companies in Taiwan with a market value of more than **NT$10** billion.

A constituent of the FTSE4Good **TIP Taiwan ESG** Index and **TWSE Corporate Governance 100** Index.

One of the Taiwan **Best-in-Class 100** companies selected by the Taiwan Institute of Directors in 2023.

Three-time Class A certification by the Taiwan Intellectual Property Management System.

ISO 27001 Information Security Management certification.

2,500 participants in education and training on information security in 2023.

>96% Key and new suppliers' commitment to and self-assessment of sustainability.

3.1 Corporate Governance

Materials Topics

3.1.1 Governance and Operation

Board of Directors

The Board of Directors is the highest governance body and decision maker of Walsin Lihwa to oversee overall operation management. Pursuant to relevant company bylaws, the election of directors of the board shall adopt cumulative voting, and nomination of the candidates of directors of the board shall factor in nominees' professional knowledges, skills, experiences, and genders in addition to board diversity and independence. Directors of the board are elected by the shareholders' meeting after the board's nominee qualification review.

On May 19, 2023, a shareholders' meeting was convened and the 20th term of office of the Board of Directors including independent directors were elected from industry elites as well as accounting and financial professionals in addition to shareholder representatives. The newly elected 11 directors including 4 independent directors have a term of office of 3 years, effective upon being elected, and they shall convene at least once quarterly. For an effective check and balance system, their meetings' resolutions and actions were all reported to the board for discussion, and major bills passed by their meetings were also immediately disclosed on Walsin Lihwa's website to provide real-time and transparent information.

Board of Directors

Operation of the 20th Term of Office of the Board in 2023

19th		20th	
Meetings	4	Meetings	5
Actual attendance ratio	95.5%	Actual attendance ratio	94.5%

Directors' Recusal for Conflicts of Interest

The Ethical Conduct Guidelines for Directors of the Board and Managerial Officers of Walsin Lihwa require strict abidance by recusal for conflicts of interest and anticorruption. Moreover, pursuant to the Board of Directors Meeting Regulations, if a director has a personal interest in any agenda item or his or her personal interest may prejudice the Company's interest, the director may not participate in discussion and voting, and shall recuse himself or herself from the discussion and voting, and also may not exercise voting rights as a proxy for any other director. The name of any director possibly having an interest relationship, essential content of the interest, and status of recusal shall be minuted for the best interest of stakeholders. For relevant information, please refer to III. Corporate Governance Report in the 2023 Annual Report.

Board Diversity

Pursuant to the Corporate Governance Best Practice Principles and the Principles for Selection of Board Members and Managerial Officers and Their Ongoing Education and Succession Plans for the board's diverse backgrounds in terms of necessary professional knowledges, experiences, and different genders as well as independence, Walsin Lihwa shall continue inviting qualified candidates to join its board based on company development strategies and as well as internal and external environment changes to strengthen the balance of its board. To realize the vision for corporate governance, Walsin Lihwa's directors of the board come from its management team as well as senior management in relevant industries with different professional backgrounds in accounting, finance, and sales. They can effectively perform board duties to help establish and maintain Walsin Lihwa's vision and value, assist in corporate governance promotion and strengthen management, supervise and assess the management's policy and business plan implementation, take charge of Walsin Lihwa's overall economic, social, and environmental operations from the perspective of stakeholders, and enhance corporate governance quality and corporate value. For further information on the Board of Directors' education backgrounds, terms of office, professional qualifications, and concurrent positions at the Company or other companies as well as board diversity and independence, ESG training and ongoing education arranged for them, please refer to III. Corporate Governance Report in the 2023 Annual Report and the Company website.

Annual Report

Title	Name	Gender	Specialization										
			Management	Leadership in Decision-making	Industry Knowledge	Finance and Law	Technology	Marketing and Sales	Procurement	International Trade	IT	Green Energy and Environmental Protection	Risk Management
Chairman	Chiao, Yu-Lon	Male	V	V	V	V	V	V					
Vice Chairman	Chiao, Patricia	Female	V	V	V			V	V				
Director	Chiao, Yu-Cheng	Male	V	V	V	V	V				V	V	
Director	Chiao, Yu-Heng	Male	V	V	V	V	V				V		
Director	Chiao, Yu-Chi	Male	V	V	V		V	V		V			
Director	Hsia, Andrew	Male	V	V	V	V				V			
Director	Ku, Li-Chin	Male	V	V	V	V	V	V		V	V		
Independent Director	Hsueh, Ming-Ling	Male	V	V	V	V				V	V		
Independent Director	Hu, Fu-Hsiung	Male	V	V	V	V				V	V		
Independent Director	Duh, Tyzz-Jiun	Male	V	V	V		V			V	V	V	V
Independent Director	Gau, Wey-Chuan	Male	V	V	V	V				V	V		V

Note: Vice Chairman Ms. Chiao, Patricia resigned on March 11, 2024.

To strengthen independence of the board, the Company has 4 independent directors, 36% of the board and higher than at least 3 independent directors as prescribed by law. None of them has any situation as prescribed in paragraph 3 and 4, Article 26-3 of the Securities and Exchange Act. The 4 independent directors help strengthen company management and corporate governance.

Governance Framework

To help strengthen board performance, the board of Walsin Lihwa has four function committees, the Audit Committee, Compensation Committee, Sustainable Development Committee, and Nomination Committee, to assist in the board in fulfilling its oversight responsibilities, setting forth and reviewing relevant policies, expediting effective system implementation, strengthening board operations, and reporting the status of implementation of board resolutions to the board on a regular basis.

Walsin Lihwa has a Corporate Governance Officer as required by the Taiwan Stock Exchange. The Corporate Governance Officer is Lo Hueiping, Vice President of Walsin Lihwa, who is responsible for board meeting arrangements, board meeting minuting, assistance in director appointments and continuing education for directors, provision of the necessary information to directors for them to carry out their duties, and assistance in directors' compliance with laws and other matters stipulated in the Articles of Incorporation or contracts to improve corporate governance and strengthen board functions. In 2023, continuing education for each director reached 6 hours pursuant to the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies.

Continuing education for all directors of the board amounted to **122.5 hours,** which achieved **100% attendance** to such continuing education.

Age Distribution

Committee	Percentage of Independent Directors	Major Duties	Status of Operation in 2023[Note]	
			Number of Meetings	Attendance
Audit Committee	100%	Assistance in board decision-making, supervision of the proper presentation of financial statements, CPA appointment and dismissal, CPA independence and performance, internal control, compliance, and risk control and management.	4	100%
Compensation Committee	100%	Development and regular review of the performance evaluation and compensation policy, system, standard, and structure for directors of the board and managerial officers, and regular evaluation for stipulation of the compensation for directors of the board and managerial officers.	1	100%
Sustainable Development Committee	66.6%	Sustainability policy, strategy, objective and/or management guideline development, review of individual promotion centers' annual plans, supervision and tracking of the progress and results of implementation at individual promotion centers to report to the board on a regular basis, attention to the major issues of stakeholders' concern and supervision of communication plan development, review of sustainability reports, identification of sustainability-related opportunities and risks according to the enterprise risk management framework, and supervision and control of various major risks.	3	100%
Nomination Committee	80%	Assistance to the Board of Directors to set up the criteria of independence of the candidates for the board and senior executives to help seek such candidates, develop plans of continuing education for the board and succession to review such plans on a regular basis, and ensure compliance with the Corporate Governance Best Practice Principles.	2	100%

Note: The status of operation started from the date of appointment on May 19, 2023 and lasted through December 31.

For further information on individual function committees, how they are organized, their duties, and how they work, please refer to III. Corporate Governance Report in the 2023 Annual Report and the Company website.

Performance and Compensation

Pursuant to the Company's Regulations Governing Board Performance Evaluation, the Board of Directors shall conduct at least an annual board performance evaluation at the end of every year, and the board performance evaluation shall also be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. In 2018 and 2022, Walsin Lihwa commissioned the Taiwan Corporate Governance Association, an independent third party without any business dealing with the Company, to evaluate the board performance. Through the evaluation by the professional organization as well as exchange with and guidance from its panel, Walsin Lihwa is able to benefit from objective and professional evaluation results and recommendations to keep improving its board quality. The 2023 board and function committee performance evaluation results were reported to the board on January 26, 2024. For further information, please refer to the Company website.

Pursuant to Rules for the Remuneration of Directors and Functional Committee Members, the Compensation Committee takes into account the board performance evaluation results and factors in the Company's business strategy, profitability, future development, business environment, the reasonableness of the correlation between directors' performance and the Company's operational performance and future risk exposure, directors' participation in and contribution to the Company's operation to submit a board compensation proposal for approval by the board for the proposal to be carried out. The Board of Directors' equity will be evaluated to be factored in.

The policy of compensation for President, Vice Presidents and equivalent managerial officers is based on the Company's Regulations for the Evaluation of Managerial Performance and Compensation, taking into account the Company's business strategy, profitability, performance as well as their contribution to the Company and relevant market compensation levels. The Compensation Committee proposes the policy to the board for approval for the policy to take effect. The structure of compensation for managerial officers includes an equity incentive system covering treasury stocks, restricted stocks, shareholding trusts, and employee stock option certificates. The Company has utilized treasury stocks as an incentive to senior executives and increased their shareholdings by providing priority stock subscription rights to them for their subscription to follow-on offerings to strengthen alignment with shareholder interest. Executive performance evaluation has been included into corporate governance and tied in with compensation, and ESG elements will also be included in the future to strengthen the accountability and momentum of sustainability initiatives. The Company's compensation policy has no clawback provision at present but inclusion of the provision will be evaluated in the future.

	Indicator Description	Percentage of the Indicator
Strategy and Management Indicator	Policy and plan implementation results, business planning capability, profitability, decision-making capability, leadership and management capability, and staff training capability.	90%
Sustainable Development Indicator	Promotion of environmental protection, social quality, and corporate governance to help achieve Walsin Lihwa's vision for sustainability by setting forth the implementation effectiveness of ethical management, social engagement, environmental protection, and green operation.	10%

3.1.2 Sustainable Governance

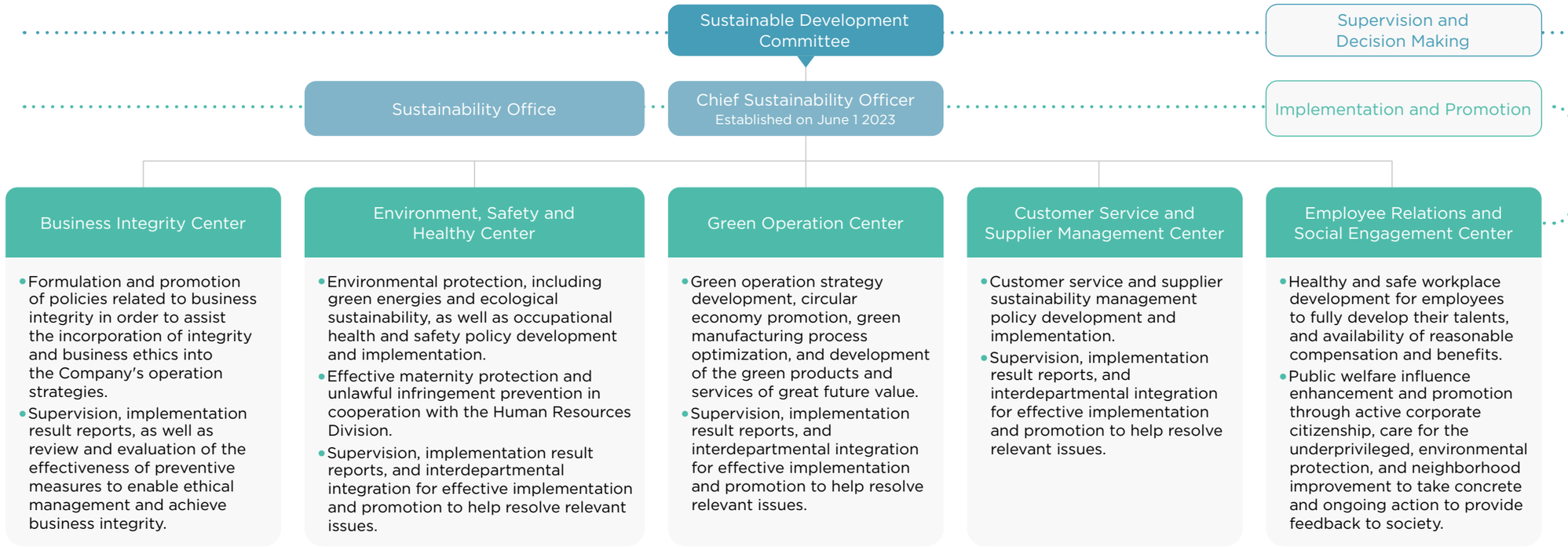
Committed to the rights and interests of stakeholders, Walsin Lihwa wants to exert a positive ESG influence while pursuing business sustainability and growth. For ongoing improvement of sustainability performance, the Board of Directors approved the establishment of the Sustainable Development Committee and the committee charter. The Sustainable Development Committee is responsible for assisting the board in supervision of ethical management for business integrity, green operation, environmental sustainability, talent management, care for employees, value chain management, and sustainable development policy promotion and implementation to ensure effective sustainable development and strengthen business sustainability.

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.

The Chief Sustainability Officer position was established on June 1, 2023 with organization of the Sustainability Office to assist in important strategy development and implementation:

- Identification of the sustainability issues that demand attention to accordingly develop response action plans,
- Management and tracking of various sustainability issues to enable ongoing improvement of sustainability implementation effectiveness,
- Assistance to individual promotion centers to ensure effective liaison, coordination, and operations integration,
- Committee meeting arrangements with action plans and implantation result reports provided to the committee, and
- Annual sustainability report structure development and compilation.



Sustainable Development Committee Operation

Communication plan	Communication mechanism	Frequency
Financial Supervisory Commission Sustainable Development Roadmap	Sustainability Office's quarterly reports to the board on greenhouse gas inventory and verification schedule planning at Walsin Lihwa and its subsidiaries.	Quarterly
Review the execution status of the annual plan	Sustainable Development Committee meetings on a regular basis with annual implementation progress reports provided by the Sustainability Office and individual promotion centers.	Annually
Implementation results of the current year Submission of next year's implementation plan	Sustainable Development Committee meetings on a regular basis with reports on implementation results of the current year and next year's implementation plan provided by the Sustainability Office and individual promotion centers to the board	Annually
Materiality analysis results and sustainability report development	Materiality analysis on a regular basis to identify material topics as guidance for sustainability report development, development of long-term sustainability goals and stakeholder communication planning based on materiality analysis results, and review of sustainability report contents on a regular basis.	Annually

Sustainable Development Communication Plan

Sustainable Development Committee

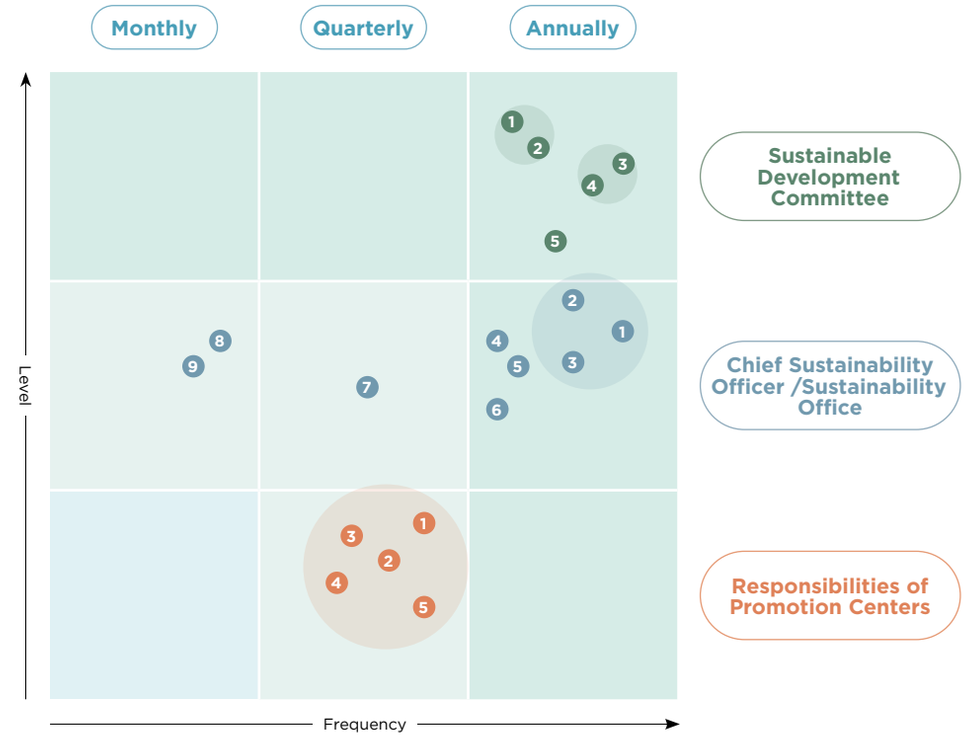
1. The committee's annual plan implementation tracking
2. Report on the committee's implementation results for the year as well as annual plan for next year
3. Materiality analysis results
4. Sustainability report review
5. Sustainability risk management

Responsibilities of Promotion Centers

1. Business Integrity Center's quarterly meetings
2. Environment, Health, and Safety Center's quarterly meetings
3. Employee Relations and Social Care Center's quarterly meetings
4. Green Operation Center's quarterly meetings
5. Customer Service and Supplier Management Center's quarterly meetings

Chief Sustainability Officer / Sustainability Office

1. Interview on the vision for sustainability as well as relevant practices and expectations
2. Annual sustainability report structure development and report compilation
3. Stakeholder identification questionnaire survey
4. Task Force on Climate-Related Financial Disclosures (TCFD)
5. Task Force on Nature-Related Financial Disclosures (TNFD)
6. Participation in the Taiwan Corporate Sustainability Awards
7. Sustainable development roadmap planning
8. Study of international sustainability developments and trends
9. Sustainability evaluation questionnaire survey and further improvement of sustainability



3.2 Business Performance

Materials Topics

Walsin Lihwa's 2023 consolidated revenue amounted to NT$189.8 billion, 5.23% higher than that in 2022. The net income after tax was NT$5.9 billion with earnings per share of NT$1.32. The income tax paid was NT$1.69 billion, 0.89% of the total revenue. For further information on other financial performance analyses, please refer to the 2023 Annual Report.

Consolidated Financial Performance

Unit: NT$ million

Item	2020	2021	2022	2023
Operating revenue	112,547	156,665	180,401	189,840
Net profit / loss	7,006	15,257	19,140	5,941
EPS	2.04	4.27	5.45	1.32

Direct Economic Value Generated and Distributed in 2023

Item	NT$ million
Operating revenue	189,840
Non-operating income and expenses	1,198
Direct economic value generated (A)	191,038
Operating costs（Cost + Expense）－（Employee wages and benefits）	173,185
Employee wage and benefit expenses (Personnel expenses)	10,414
Payments to providers of capital (Shareholder dividends+ interest expense)	8,852
Payments to government (Taxes and penalties)	1,690
Community investments	84
Direct economic value distributed (B)	194,225
Economic value retained (A-B)	(3,187)

Note: The negative retained economic value was primarily due to higher dividends paid to shareholders than the consolidated net profit.

Copper Wire	13.7%
Wire and Cable	8.5%
Steel Wire and Cable	0.6%
Stainless Steel (bar, coil, pipes and tubes)	49.0%
Nickel Pig Iron	20.6%
Others[Note]	7.6%

Note 1: Others are non-core product sales as well as real estate, lease, and other project revenues.

Note 2: For more information on the 2023 financial performance and sales, please refer to the 2023 Annual Report.

Tax Management

Walsin Lihwa's commitment to ethical management corporate culture requires all business activities to comply with local laws and regulation for sound tax governance and corporate social responsibility fulfillment:

- Comply with local tax laws and regulations as well as international taxation norms for honest tax declaration and payment, abide by the arm's length principle, and refrain from tax evasion transactions,
- Comply with relevant laws and regulations for tax disclosure compliance,
- Ensure tax law compliance through effective internal control and management,
- Factor tax risks and impacts into important decisions and transactions,
- Timely assess and respond to rapid changes in relevant tax laws and regulations to develop corresponding strategies,
- Establish mutual respect and trust with taxation authorities to enable timely communication and counseling on tax issues.

Effective Tax Rate

Unit: NT$ million

	2020	2021	2022	2023
Pre-tax net profit	9,251	19,122	23,402	7,438
Income tax expense	2,245	3,865	4,262	1,497
Effective tax rate	24.27%	20.21%	18.21%	20.13%
Income tax payment	2,156	1,255	2,732	1,690
Cash tax rate	23.31%	6.56%	11.67%	22.72%
Income tax percentage in operating revenue	1.99%	2.47%	2.36%	0.79%

2023 Income Tax [Note]

Area	NT$ million
Taiwan	1,367
Asia excluding Taiwan	363
North America	0
Europe	(40)

Note: The tax data above were collected from Walsin Lihwa and its subsidiaries in different regions without analysis of their individual tax payment by country.

3.3 Business Integrity

Materials Topics

Policies and Guidelines

Walsin Lihwa adheres to the principle of business integrity, abides by government regulations, and implements effective corporate governance to fulfill corporate social responsibilities. The Corporate Governance Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct passed by the board are the Company's ethical management policies, which include the Ethical Conduct Guidelines for Directors of the Board and Managerial Officers, Ethical Conduct Guidelines for Employees, and Employee Code of Conduct to require compliance with such company bylaws in terms of business ethics, labor relations, environmental protection, occupational health and safety, internal control, corporate governance, and community engagement. Relevant information is also provided on the Company's website and intranet to convey the importance of ethical management for business integrity to incorporate ethical management into corporate culture.

Organization and Duties

The Company's Business Integrity Center is managed by the Corporate Governance Officer to assist the board and management in evaluation of the effectiveness of preventive measures to enable ethical management and achieve business integrity, and report the status of compliance in relevant business processes to the board at least once a year for supervision by the board. Members of the Business Integrity Center are:

Status of the Business Integrity Committee in 2023

Reported implementation results in 2023 to the Sustainable Development Committee:
2 meetings / 100% attendance

March	June	July	September	November	December
Business Integrity Center's 1st quarterly meeting	Business Integrity Center's 2nd quarterly meeting		Business Integrity Center's 3rd quarterly meeting	Business Integrity Center's 4th quarterly meeting	
		Sustainable Development Committee H1 meeting			Sustainable Development Committee H2 meeting

Committee members report work items on a quarterly basis:
4 meetings / 100% attendance

Education and Training on Ethical Management

The Company strengthens ethical management for business integrity through public commitment, promotion of relevant information, as well as education and training on a regular basis. The promotion of relevant information covers all directors of board, employees, as well as suppliers and contractors to enable top-down development of an ethical and integral corporate culture. In 2023, the education and training implemented by the Business Integrity Center included:

- Education and training on ethical management (anti-corruption), trade secrets, prevention of insider trading, respect for intellectual property rights, compliance, and information security to convey relevant policies and the importance of integrity and compliance were provided to directors of the board and employees, including 11 directors' attendance to the courses related to ethical management (anti-corruption) with a 100% course completion rate The status of employees' attendance to such courses is tabulated as following: :

Status of Attendance to Ethical Management and Anti-corruption Education and Training

Plant	Category		Number of Attendees	Number of employees	Ratio
Taiwan	Gender	Male	695	2,589	27%
		Female	245	407	60%
	Position	Managerial	193	379	51%
		Nonmanagerial	747	2,617	29%
	Subtotal		940	2,996	31%
Mainland China	Gender	Male	248	1,913	13%
		Female	165	396	42%
	Position	Managerial	110	286	38%
		Nonmanagerial	303	2,023	15%
	Subtotal		413	2,309	18%
Total			1,353	5,384	25%

Note 1: Definition of people in charge: Shift leaders and supervisor above hold management positions.
Note 2: Training completion rate: Number of the people who have completed their training and passed the test/Number of the employees in the year.

- New employee onboard training promoted the Ethical Conduct Guidelines for Employees and the Employee Code of Conduct for rookies to understand the Company's Ethical Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct.
- Requires all suppliers and contractors to sign the Supplier Management Commitment, which includes provisions related to ethical management.Education and training arranged for suppliers included ethical management (anti-corruption), compliance, and sustainability to convey Walsin Lihwa's corporate value of ethical management. 45 (56%) of the suppliers in Taiwan attended the education and training on ethical management (anti-corruption) and compliance. 28 (38%) of the suppliers in Mainland China also attended such education and training.

Due Diligence Results

The Business Integrity Center's annual evaluation of the risks of being unethical selects specific plants to examine their processes, regulations, and accounting to require improvement measures based on examination findings. In 2023, Yantai Walsin Stainless Steel was selected to be exercised due diligence and was evaluated to be low risk in term of business integrity.

Political Contributions

Walsin Lihwa's Procedures for Ethical Management and Guidelines for Conduct regulate the provision of political donations and require an objective stance on public policies and refrainment form active participation in political parties, political activities, and/or lobbying. From 2019 to 2023, no political contribution was provided to any political or lobbying group.

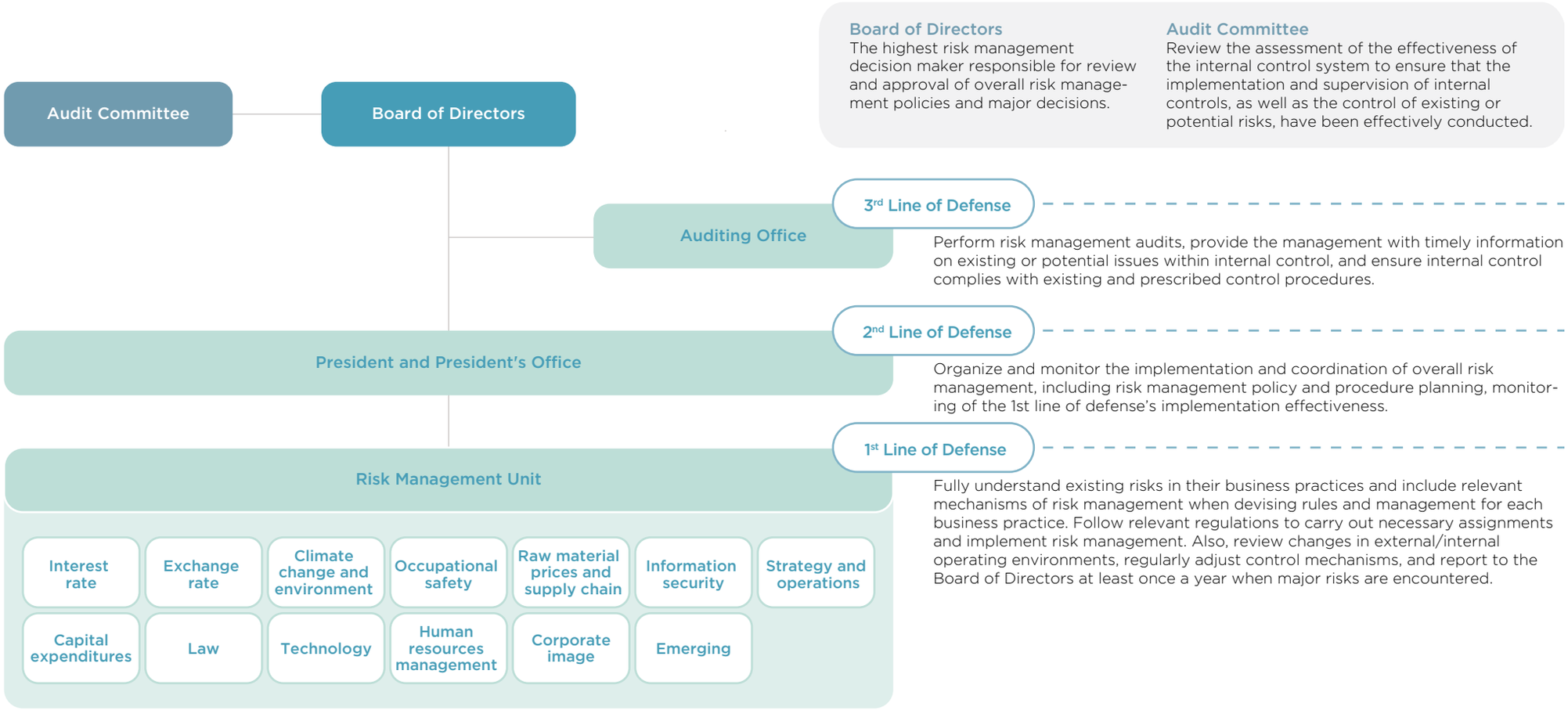
3.4 Risk Management and Compliance

3.4.1 Risk Management

To ensure soundness of management and sustainable development, the Company follows the Enterprise Risk Management framework to continue identification and evaluation of various possible risks, and pays attention to global environmental and industrial changes to enable appropriate risk management strategy development, and decrease the probability of risks and negative impacts of risks to effectively manage and mitigate such impacts.

Risk Management Organization and Duties

Three lines of defense for corporate risk management are implemented together by the Board of Directors, Audit Committee. Auditing Office, President, President’ s Office, individual units, risk management units, and subsidiaries:



Board of Directors
The highest risk management decision maker responsible for review and approval of overall risk management policies and major decisions.

Audit Committee
Review the assessment of the effectiveness of the internal control system to ensure that the implementation and supervision of internal controls, as well as the control of existing or potential risks, have been effectively conducted.

3rd Line of Defense

Perform risk management audits, provide the management with timely information on existing or potential issues within internal control, and ensure internal control complies with existing and prescribed control procedures.

2nd Line of Defense

Organize and monitor the implementation and coordination of overall risk management, including risk management policy and procedure planning, monitoring of the 1st line of defense’s implementation effectiveness.

1st Line of Defense

Fully understand existing risks in their business practices and include relevant mechanisms of risk management when devising rules and management for each business practice. Follow relevant regulations to carry out necessary assignments and implement risk management. Also, review changes in external/internal operating environments, regularly adjust control mechanisms, and report to the Board of Directors at least once a year when major risks are encountered.

Risk Management Policies and Operations

Walsin Lihwa's Risk Management Policy and Procedures are the prime guiding principle of risk management procedures for itself and its subsidiaries. On January 26, 2024, the Company revised its risk management objectives, organizational structure, relevant units' responsibilities, management procedures, and control mechanisms to incorporate risk management into daily operations, so that employees can conform with the principle to together participate in and promote risk management. Every year the status of risk management is reviewed and reported to the Audit Committee and the Board of Directors. The 2023 status of risk management was reported to the Audit Committee and Board of Directors respectively on October 27 and November 3, 2023. For further information, please refer to the Company website.

Risk Control Mechanisms

Walsin Lihwa's risk management is intended to mitigate the impacts from internal and external risks based on the degrees of severity and Company's business characteristics to identify, monitor, and manage the risks associated with corporate governance as well as economic, environmental, and social issues. For further information on the risk response plans and mitigation measures, please refer to relevant chapters of this report or the Annual Report. The status of risk management is reported to the board on a regular basis. For further information on relevant risk types and risk control mechanisms, please refer to the Risk Management Policy and Procedures at https://www.walsin.com/wp-content/uploads/2024/02/rule21_EN20240126.pdf.

Risk Management Process

Risk Identification

Identification of the major risk sources, events, causes, and potential consequences that may affect the Company's strategies and organizational goals.

Risk Analysis

Risk value calculation by using the risk analysis measurement standards and risk appetite as prescribed in the Risk Management Policy and Procedures.

Risk Assessment

Response plan development and implementation based on analysis results.

Risk Response

Proposals of countermeasures factoring in how risks develop and change to take appropriate control measures.

Risk Monitoring and Review

Reports on management procedures and implementation results on a regular basis.

Risk Management Categories

Financial Risk	Financial goals affected by domestic and overseas interest and exchange rate fluctuations as well as raw material price and supply chain risks.
Strategy and Operational Risk	Risks resulting from business strategy, domestic and overseas competition, technology R&D, industrial cooperation, as well as policy and law changes.
Information Security Risk	Threats to the confidentiality, integrity, and availability of information assets and personal information at the Company.
Environmental, Carbon Reduction, and Energy Risk	Risks resulting from the issues related to global climate change, geographical resources, carbon reduction progress made by individual governments, as well as relevant energy, fiscal, and tax policies.
Corporate Sustainability Risk (ESG Risk)	ESG risks derived from corporate sustainability issues.

Emerging Risk

The Company has included emerging risks into risk management supervised by the board to pay attention to the trends and developments of global climate change to enable comprehensive business development and future planning while identifying emerging risks every year.

Three Steps of Identification

Step 1

Commencement of Identification of Emerging Risks

Emerging risk factor list development as the basis of the Company's risk assessment by referring to the annual reports issued by credible external organizations including global environmental change and development trends and the Global Risk Reports released by the World Economic Forum.

Step 2

Assessment of Emerging Risks

Individual risk management units' discussion of potential impacts by referring to emerging risk factors to identify the probability of occurrence and degrees of impact to develop countermeasures accordingly.

Step 3

Identification of Emerging Risks

Summarization of the identification results by President's Office to identify emerging risks to submit to the board for reference.

Results of Identification

Risk	Description	Potential Impact	Countermeasure
Geopolitics	Regional tensions resulting from confrontation between countries, ongoing Sino-American trade war, and ongoing Russo-Ukrainian war, which have changed global geopolitics and made many countries adopt their geoeconomic policies to cope with relevant changes.	Global supply chains possibly affected by conflicts between countries. Commodity, key material, and energy price uncertainties incurred by regional conflicts and trade war to possibly worsen inflation. Higher business, investment, and breach of contract risks resulting from weakened investment and consumer confidence.	• Market and supply chain diversification to decrease the reliance on any single country or region. • Daily monitoring of important domestic and overseas financial markets to be immediately updated on important financial market changes, and mitigation of possible negative impacts through effective risk management. • Financial soundness to be ensured by financial indicator analysis of the Company's liquidity gap and total liability on a regular basis.
Inflation	Global economy affected by a 40-year high of inflation in 2022 in the U.S., ensuing rate hikes by many central banks, performance progress and profits impacted by higher manpower, material, and equipment expenses resulting from inflation to increase the Company's overall operating cost.	Possibly rekindled inflation before the core CPI drops to the Fed's 2% long-term target although inflation already topped out in 2023, continuous and structural changes of individual economies if the Fed's 2% target is not met e.g., increased labor costs resulting from workers' request for faster pay increases to cope with inflation, and acceptable minimum renumeration and borrowing costs increased by inflation.	• Tracking of the potential sources of inflation along with assessment of various factors that may cause rising costs on a regular basis to timely lock individual costs. • Rigorous control of operating turnover days while staying on top of the source and use of funds anytime, and capital cost saving through cross-region fund dispatching and diversified financing.

Intellectual Property Right and Confidential Information Protection

Through effective intellectual property right management, Walsin Lihwa encourages R&D, protects its technologies and R&D achievements, pursues manufacturing process optimization, expedites product innovations and upgrades, and pursues smart manufacturing to achieve value-added transformation of the Company for ongoing growth. In 2020, the Company commenced the Taiwan Intellectual Property Management System (TIPS) implementation, which was certified in the same year. Class A certification by the TIPS was granted to Walsin Lihwa respectively in 2021 and 2023. The certification is valid through December 31, 2025.

An organizational adjustment in 2023 incorporated the Procurement Management Center into the TIPS' scope of implementation while engaging in trade secret management system design in conjunction with confidentiality labelling of electronic documents implemented in 2022 to gradually strengthen confidential information protection in compliance with the TIPS requirements and develop annual intellectual property management policies and their objectives. On November 3, 2023, the status of implementation and annual plan were reported to the board.

Grievance and Suggestion System and Protection of Whistleblowers

Walsin Lihwa encourages employees and outsiders to report corruption, briberies, as well as unethical conducts and other misconducts. The Company has enacted its Guidelines for Suggestions and Complaints by Stakeholders and set up a designated stakeholder section on the Company's website for stakeholders to send their suggestions and complaints to the Company's management and chief audit executive. There is also an opinion mailbox for employees to provide suggestions, and employees or stakeholders are encouraged to report any suspicious activities or misconducts within the organization or between transacting parties, thereby preventing unlawful conduct or misconduct. The investigation process is always kept confidential to protect whistleblowers. The reports received are processed by responsible units, and the Audit Committee shall be informed of how they are processed. In 2023, 2 complaints were received and both were processed according to relevant regulations. Suspicious activities or misconducts include:

Internal Audit

The comprehensive internal audit system and Audit Committee of Walsin Lihwa help ensure effective internal control and report; management also closely monitors the improvement results for internal control deficiencies. The Auditing Office -- an independent unit with chief audit executive and dedicated auditors -- reports directly to the board of directors. The chief audit executive and independent directors of the board shall meet at least once quarterly to report the statuses of internal control and audit implementation to the Audit Committee in addition to regular reports to the board of directors. In case of major abnormalities, their meetings can be convened anytime. The chief audit executive reports to the chairman of the board, the convener of the Audit Committee, independent directors, and president on an as-needed basis. The Auditing Office may also provide management with timely information on existing or potential issues with internal control through auditing activities.

Stakeholders Contact

3.4.2 Information Security

Materials Topics

Information Security and System Maintenance Division for Information Security Management Promotion

The Chief Information Security Officer and the Information Security and System Maintenance Division of Walsin Lihwa are responsible information security management promotion including information security policy development, planning, coordination, and implementation of information security protection measures, assessment and management of information security risks, comprehensive information security planning, and promotion of information security management year by year with relevant solutions provided.

IT Steering Committee

The IT Steering Committee -- the information security management organization and decision maker at the Company and its individual business units -- is responsible for review and decision of the matters related to information security management. The board also has several members with information security-related backgrounds on the Audit Committee to supervise and review information security policy promotion. Members on the IT Steering Committee shall convene at least one management review meeting every year to review the status of information security policy implementation and ensure the effectiveness and appropriateness of information security policy standardization in compliance with relevant laws and regulations as well as competent authorities' requirements. In 2023, 3 information security regulations were amended to comply with domestic and overseas laws and regulations and respond to external changes.

Information Security Management System Implementation and Compliance

Walsin Lihwa's ISO 27001 Information Security Management System implementation in 2022 for information authorization, data backup, system development, outsourced vendor management, and intellectual property right management has obtained third-party certification. In January 2023, the Company received the latest ISO 27001:2013 certification, which is valid through October 2025. The Company's PDCA (Plan-Do-Check-Act) cycle has the confidentiality, integrity, and availability of all the data secured by a comprehensive information security management system to keep strengthening information security

management through effective prevention, monitoring, and responsiveness before and throughout any information security event. In 2023, three third-party information security risk assessments were implemented.

Information Security Policy

Objectives of information security: To maintain the confidentiality, completeness, and availability of business information including sensitive information at Walsin Lihwa, all the employees, internal and external information service users, and third-party service contractors are expected to work steadfastly together to achieve the following objectives:

- Comply with relevant laws and regulations to protect company confidential information; prevent unauthorized access, tempering, damage, and/or improper disclosure (compliance).
- Protect company business information from unauthorized access or disclosure to ensure the correctness of every category of business information (protection of business secrets).
- Set up comprehensive business continuity planning and procedures for effective management of information security events to ensure such events are properly responded, controlled, and processed, and conduct scenario drills on a regular basis to ensure ongoing operation of IT systems and information services in case of any information security events.
- Cautiously handle and protect personal information and intellectual property rights pursuant to relevant domestic and overseas requirements (intellectual property).
- Review the status of compliance with information security requirements to ensure effective information security management (PDCA).
- Enhance employees' awareness of information security and reduce the risks associated with how information is used through management review, risk appraisal, internal auditing, education and training, and information security drills (full participation).
- Require all the employees to strengthen compliance with the Information Security Policy as well as relevant regulations and SOPs (full participation).

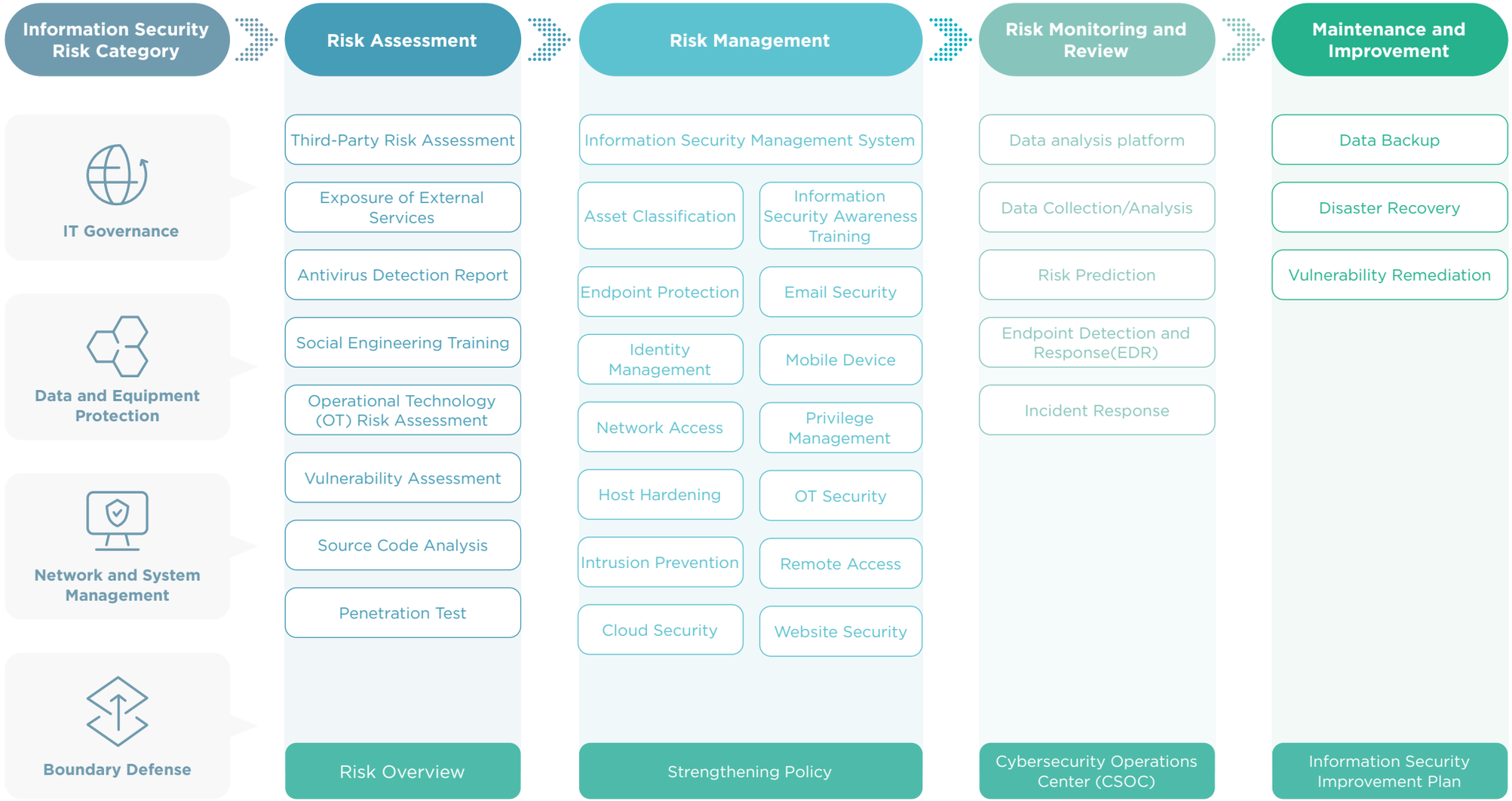
Development of Information Security Resilience for Effective Information Security

Develop information security plans for information security policy implementation year by year, bring in information security systems and workflow standards, and continue making information security technologies and relevant protection measures more complete. The specific management program has 5 objectives, separation of intranet from extranet, multilayered security defense, identification of security loopholes or other potential risks by log analysis and security inspection, smart security protection, and behavior analysis by log and big data analysis at the security operation center, which can be achieved step by step through 4 approaches, IT governance, data and equipment protection, network and system control, and boundary defense.

The specific management program includes:

1. Information protection mechanism planning and implementation to decrease confidential information leakage risks.
2. Continue bringing in advanced information solutions to enable effective system, host, and network behavior management and protection.
3. Reinforcement of protection of external information service to effectively block hacker attacks.
4. Focus on important systems to conduct disaster backup drills on a regular basis to rapidly resume operation in case of any disasters.
5. Evaluate and improve endpoint, server, and network equipment protection, and engage third-party professional services such as the information security inspection and diagnosis provided by the Industrial Development Bureau, Ministry of Economic Affairs.
6. Implementation of endpoint detection and response (EDR) to strengthen endpoint, server, and network equipment protection.
7. Security operation center (SOC) implementation to enable effective and timely responsiveness to security issues.
8. Reinforcement of cloud information security management through Zero Trust to help achieve digital and ESG sustainability.

Information security risk assessment	Evaluate and improve endpoint, server, and network equipment protection, and engage third-party professional services such as the information security inspection and diagnosis provided by the Industrial Development Bureau, Ministry of Economic Affairs.
Confidentiality levels of information assets	Implement adequate access authorization and protection based on the confidentiality levels of information assets to reduce exposure to risks.
Disaster recovery drills	Focus on important systems to conduct disaster backup drills on a regular basis to rapidly resume operation in case of any disasters.
Technical measures for information security	Continue bringing in advanced information solutions to enable effective system, host, and network behavior management and protection
Education and training on information security	Provide education and training on a regular basis to share new knowledge on information security and strengthen employees' awareness of information security.
Incident response and digital forensics	Develop rapid responsiveness to information security incidents, i.e., detection of such incidents as early as possible for rapid responsiveness and containment of attacks.



Education and Training on Information Security

An annual information security month, mandatory information security education and training throughout the Company with more than 2,500 attendees in 2023, implementation of 2 email social engineering drills with more than 5,000 attendances in 2023, and an online information security course and test required for those who failed the drills.

2023 Implementation Results

No major information or communication security issue, no confidential information leakage, and no relevant damage to the Company and its customer in 2023.

3.4.3 Regulatory Compliance

Regulatory compliance foundation: Corporate culture of "Commitment to Business Integrity"

A so-called corporate culture of "commitment to business integrity" stresses that all business activities must comply with local laws and regulations of Taiwan and the place of business. We stress to our employees that they must refrain from violating relevant laws and regulations for obtaining business profits.

Monitoring and Evaluation of Relevant Business Laws and Regulations

We are in the manufacturing industry and our main compliance risks are related to labor and environmental protection laws, as well as the use of conflict minerals. Sales related risks include protection of consumer safety and health rights by the industry's competent authority and the Fair Trade Act. Accounting related risks are mainly related to the Tax Laws, the Tax Collection Regulations in each country, and the Anti Money Laundering Regulation. Public companies are required to comply with the Company Act, Securities and Exchange Act, and corporate governance and ESG related regulations.

Violation and Penalty in 2023

No bribery, corruption, money laundry, anti-competitive practice, insider trading, conflict of interest, discrimination, harassment, or personal information and privacy leakage or violation of the Company Act in 2023. Material penalties, i.e., higher than NT$100,000, for non-compliance with the Regional Plan Act, Labor Law, and tax filing regulations as well as the status of improvement are tabulated as follows.

Plant	Cause	Non-compliance	Status of Improvement	Fine
Yangmei Plant	Building in a non-industrial zone	Article 15 of the Regional Plan Act	Removal of the building to enable restoration	NT$140,000
Jiangyin Walsin (Specialty Alloy Materials)	Missing import goods tax payment	Article 24 of the Customs Law, Article 15 and 16 of the Regulations of Implementing Customs Administrative Penalty, and Article 32 of the Administrative Punishment Law of the People's Republic of China	Relevant education and training provided accordingly at the company	RMB 50,000
Changshu Walsin	Violation of legal working hours	Article 36 and 41 of the Labor Law and Article 25 of the Regulation on Labor Security Supervision of the People's Republic of China	Shift adjustment and reasonable manpower allocation planning to resolve working overtime	RMB 221,500
	Erroneous imported goods declaration	Article 32 of the Administrative Punishment Law and Article 15 and 16 of the Regulations of Implementing Customs Administrative Penalty of the People's Republic of China	Development of Customs clearance regulation compliance for immediate access to imported goods, check process improvement, and relevant education and training provided accordingly at the company	RMB 1,590,000
Nanjing Taiwan Trade Mart Management Co., Ltd.	Non-compliance with government-guided pricing	Article 39 of the Price Law and Article 9 and 16 of the Administrative Punishment Law of the People's Republic of China	Correction made accordingly	RMB 50,000

3.5 Supply Chain Sustainability and Customer Service

With its businesses throughout the upstream, midstream, and downstream of the industry chain of wires and cables as well as stainless steel, Walsin Lihwa procures many items, and the Procurement Management Center is responsible for assessment of supplier ESG impacts, selection and management of suppliers, and procurement. Walsin Lihwa is well aware that supply chain sustainability is key to the realization of corporate sustainable development and upholds integrity, fairness, standardization, and efficiency in every step from procurement to production to live up to the commitment to corporate social responsibilities.

3.5.1 Sustainable Supply Chain Policy

Supplier Management Implementation and Commitment Strategy

- Compliance with international regulations and standards as well as customer requirements and standards
- Inclusion of CSR practices into supplier management
- Green procurement as part of CSR fulfillment
- Supplier capability enhancement by information exchange and business practice collaboration
- Prohibiting the use of conflict minerals

Strategic Guidelines

Develop short-, medium- and long-term strategies to effectively implement supplier management mechanisms to develop a sustainable supply chain:

Short term: Green supply chain project implementation in conjunction with environmental and safety management to expand sustainable supply chain management into Mainland China.

Medium term: Implementation of effective counselling mechanism for high-risk key suppliers and tracking of their improvement plans.

Long term: Development of supplier sustainability performance goals and expansion of the scope of carbon management at suppliers year by year.

Commitment

- Transparency, honesty and fairness, standardization, efficiency, and service.
- Continued control of suppliers' material quality, delivery time and service.
- Attention to the written evaluation of suppliers.
- Focus on regular supplier onsite audits.
- Focus on corporate governance, social, and environmental improvement of suppliers.
- Focus on contractors' construction safety and safety education.
- Emphasis on supplier employee education and affirmative action.
- Attention to suppliers' promotion of human rights and support for biodiversity.

Walsin Lihwa's "Supplier Management Measures", "Supplier Social Responsibility Performance Appraisal Principles", and "Sustainable Procurement Management Measures"ensure suppliers meet quality, cost. timely delivery, and service quality requirements. There are also written evaluations and field inspections to ensure suppliers' social responsibility commitment in terms of environmental protection and human rights to promote supply chain sustainability development.

For information on upstream, midstream, and downstream of Walsin Lihwa's supply chain, please refer to Business Overview in the Annual Report and the Company's website.

Procurement Management System implementation

To achieve effective corporate governance and integration of procurement resources for the transparency, sustainability, professionalism, and efficiency of procurement at Walsin Lihwa, Yantai Walsin Stainless Steel' s procurement management system implementation in 2023 commenced a price inquiry platform trial to develop procurement process standardization and transparency by using IT system tools for procurement management and real-time sharing of supply chain issues, so that corporate social responsibilities can be fulfilled together with suppliers.

Key Supplier Identification

To implement effective supplier management, Walsin Lihwa has important raw materials, materials, assets and equipment, project contracting, waste treatment, and outsourcing factored into key supplier identification, which is also based on the principles of procurement value, importance, influences, uniqueness, and strategic considerations. 156 key suppliers[Note] have been identified from a total of 3,619 suppliers[Note]. The 156key suppliers amount to 63.09% of the total procurement value and are also the objects of promotion of supply chain resilience to strengthen supplier corporate social responsibilities.

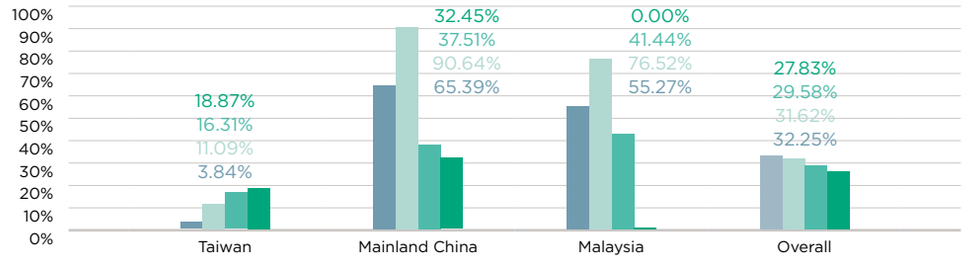
Note 1: Suppliers that are documented, paid, and managed in accordance with the procurement process and have substantial receipt amounts in the current year will only be included in the amount of suppliers with receipt records in the current year, and the number of merged related parties and duplication between factories will be deducted.

Note 2: Included Head Office, Wire and Cable Business (Hsinchung plant, Yangmei plant, Shanghai Walsin), Stainless Steel Business (Yenshui plant, Taichung plant, Yantai Walsin, Changshu Walsin, Jiangyin Walsin (Specialty Alloy), Jiangyin Walsin (Steel Cable)), Real Estate Business and Walsin Precision suppliers.Materials)

Local Procurement

We work together with our suppliers in the pursuit of corporate sustainability and growth. We continue to engage in local procurement and to promote local economy and reduce energy consumption in transportation. The key suppliers in Taiwan increased by 12 as compared to that in the previous year, and local suppliers amounted to 18.87% of the procurement expense. 32.45% of procurements made by our key suppliers in mainland China are sourced from local suppliers. Overall, 27.83% of our key suppliers are local suppliers.

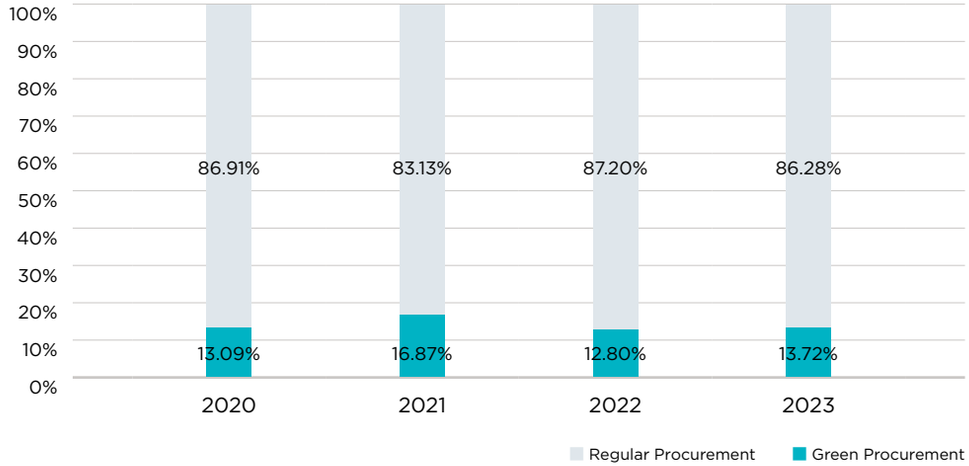
Local Procurement from Key Suppliers



Note: Local suppliers are the domestic suppliers to Walsin Lihwa's local business locations.

Green Procurement

Committed to green procurement, Walsin Lihwa has its "Sustainable Procurement Management Measures" to promote priority procurement of the items with green product labels. In 2023, we reported a green procurement amount of approximately NT$1.8 billion to the Department of Environmental Protection, Taipei City Government, mainly focusing on pig iron raw materials from the Stainless Steel Business Group, the Wire and Cable Business Group's plastic bobbins (leased) and closure plates, as well as IT equipment used by the Company such as laptops, servers, and printers. Moreover, to decrease products' environmental impacts, the Wire and Cable Business Group uses recycled wooden bobbins, iron bobbins, and closure plates to decrease procurement of new ones. The Stainless Steel Business Group also makes good use of scrap steel, scrap brass, and recycled nickel chromium pig iron. In 2023, the green procurement expense in Taiwan amounted to about NT$9.189 billion, 13.72% of the total procurement in Taiwan and 0.92% higher than 12.80% in 2022.



Supply Chain Risk Management and Countermeasure

In response to the escalation of various trade restrictions resulting from geopolitical issues and pandemic events, Walsin Lihwa has implemented preemptive contingency measures and strengthened partnership with suppliers to ensure undisrupted raw material supply by reasonable safety stock development, safety stock review on a regular basis, and active development of alternative resources to ensure supply stability and flexibility of various materials. From November 2022 to the end of 2023, 34 new suppliers of raw materials were successfully secured.

3.5.2 Implementation of Supply Chain Management

Enhancement of Employee Awareness of Sustainable Supply Chain Management

For effective implementation of sustainable supply chain management, Walsin Lihwa provided education and training to the employees responsible for procurement respectively in April and September 2023. The courses covered analysis of ESG principles and backgrounds as well as relevant corporate practices in Taiwan and overseas to strengthen the awareness of sustainable supply chain management, There were also supply chain field inspection and supply chain risk assessment mechanisms to help the employees responsible for procurement comprehensively strengthen their sustainable supply chain management professionalism.

Selection of Suppliers and Identification of Supplier Risks From Environmental and Social Perspective

1	2	3	4	5
New Suppliers on boarding	**Supplier Management and Identification of Key Suppliers**	**Identification of Key Supplier Risks**	**Key Supplier Auditing and Guidance Mechanism**	**Tracking of Improvement Process**
Suppliers are required to sign the "Supplier's Undertaking" and fill out "CSR sustainability self-assessment form" .	Supplier performance assessments are implemented monthly and annually together with unscheduled inspections.	Suppliers are required to respond to the "CSR sustainability self-assessment form" to help identify sustainability risk levels based on questionnaire findings.	Onsite audits and interviews of high-risk suppliers are implemented to provide counseling and assistance based on their different sustainability risks.	How improvement has been made is tracked regularly and procurement from the suppliers without improvement will be decreased or such suppliers will be disqualified.

New Supplier Assessment

There were 787 new suppliers in 2023 and a "CSR sustainability self-assessment form for new suppliers" was conducted on them. According to 774 (98.35%) valid self-assessment forms received, environmental shortcomings primarily resulted from failure to develop energy saving and carbon reduction measures and processes because of unfamiliarity with carbon management. Walsin Lihwa shall continue its promotion of carbon management to suppliers on a regular basis and discuss related issues at supplier conferences to help suppliers strengthen carbon management. Social shortcomings were light occupational injuries at some suppliers in the last 3 years. Therefore, Walsin Lihwa shall ask all contractors and transportation providers to take a 2-hour course on contractor safety provided by environmental protection, occupational health and safety, and logistic units before they enter any plant to ensure a safe work environment established together by both parties.

Suppliers' Commitment to Sustainability and Self-Assessment

Year	Category	Number of Suppliers	Supplier's Undertaking[note1]		Self-Assessment Form	
			Number of Signatures	Percentage of Signatures	Number of Signatures	Percentage of Signatures
2020	Key suppliers	111	110	99.10%	111	100.00%
	New Suppliers	515	385	73.33%	331	63.05%
2021	Key suppliers	165	156	94.55%	138	83.64%
	New Suppliers	482	472	97.93%	466	96.68%
2022	Key suppliers	173	159	91.91%	167	96.53%
	New Suppliers	770	750	97.40%	731	94.94%
2023	Key suppliers	165	153	98.08%	153	98.08%
	New Suppliers	787	784	99.62%	774	98.35%

Note 1: The Supplier Management Commitment and Commitment to Integrity were consolidated into the Supplier Management Commitment in 2022 and issued to key and new suppliers for them to sign it.
Note 2: In 2019, we established a Key Supplier Risk Identification System for key suppliers.

Key Supplier Risk Identification

To effectively strengthen supplier sustainability management and grow together with suppliers, Walsin Lihwa's supplier assessment includes quality, timeliness of completion and delivery, service, communication, and coordination to ensure suppliers meet all these criteria. Moreover, all suppliers are required to sign the "Supplier's Undertaking" to strengthen supplier management by increasing their awareness and commitment.

Walsin Lihwa also invited key suppliers to respond to its"CSR sustainability self-assessment form" to assess their management status quo including the economic aspect of sustainability governance, supplier management, and protection of trade secrets; the social aspect of human rights as well as occupational health and safety; and the environmental aspect of environmental management, greenhouse gases, air pollution, water resource management, and waste management. Analysis of suppliers' sustainability management was based on questionnaire findings to assess the of the probability of threats to sustainability and degrees of impact and identify how key suppliers under such threats would impact the operation of Walsin Lihwa and the degrees of impact.

The assessment results are:

Economic aspect

21.60% of the key suppliers have obtained the ISO27001 Information Safety Management System certification and have sound data protection and trade secret management systems.

Social aspect

38.27% of the key suppliers have obtained the ISO 45001 Occupational Health and Safety Management System certification and implement effective identification of potential hazards throughout production and processing, provide relevant education and training to employees, and have emergency response plans.

Environmental aspect

40.12% of the key suppliers have obtained the ISO 14001 Environmental Management System certification and have environmental protection and energy management policies. 22.22% of them have implemented greenhouse gas emission management with third-party certification.

In 2023, there were 18 high-risk suppliers. Although no improvement plan has been formulated yet, Walsin has analyzed and provided feedback for these suppliers and it is expected to jointly formulate improvement plans through on-site visits in 2024.

Major issues and improvements to be tracked are as follow:

Economic aspect

Sustainability-wise, risk value calculation was affected primarily because suppliers had no relevant policy for ethical conduct or ethical management, or had no proper ESG planning to help identify material risks. Suppliers will be required to implement relevant policies and commit themselves to perfection of related guidelines in writing in the following year.

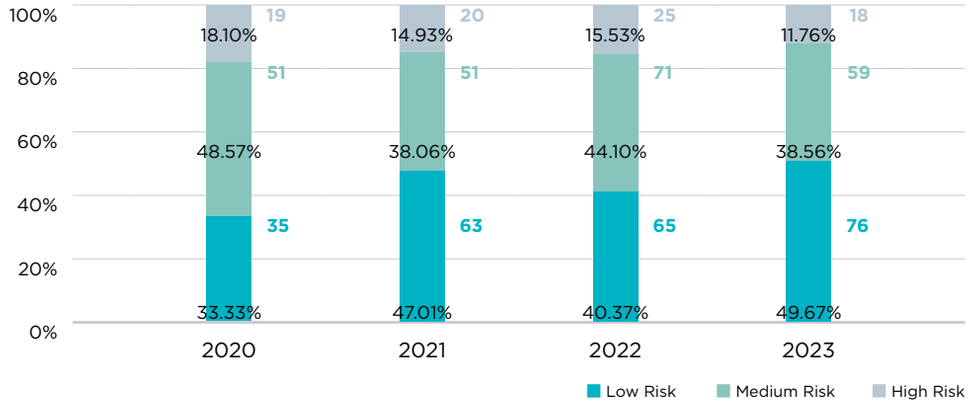
Social aspect

Occupational health and safety shortcomings-wise, raw material suppliers have product transportation and vehicle safety management regulations and measures, but has no audit mechanism. Promotion of audits will continue, and counselling and tracking will include audits. Field inspections will ask for evidences of improvement made.

Environmental aspect

Waste management-wise, suppliers are able to manage legit waste cleaning companies but has no audit on a regular basis. They will be asked to perform routine audits in cooperation with Walsin Lihwa's field inspections and promotion of environmental safety.

Key Supplier Risk Identification



Supplier Audit and Guidance Mechanisms

To strengthen the depth and width of supply chain sustainability development, annual suppler conferences were expanded in 2023. Onsite audits and interviews of selected key suppliers were also made to provide corresponding guidance and assistance based on individual sustainability risk issues to prevent and lower risks by approaches including:

- Regularly and irregularly hold communication and discussion meetings to support suppliers' growth and improve their business quality.
- Continue to carry out 100% pre-work safety education and training for existing contractors.
- Onsite checking of suppliers' practices in management, social and environmental aspects, and continue to improve the assessment and checking of deficiencies.
- Identification of procurement process risks through system management and evaluation form development.

Enhancement of Supply Chain Sustainability Management and Long-Term Partnership Development

In 2023, unscheduled visits to 79 suppliers promoted Walsin Lihwa's sustainability policy and common goals with them. Supplier conferences were hosted by Walsin Lihwa for the first time instead of individual business units in the past. The suppliers to the Stainless Steel Business Group, Wire and Cable Business Group, and Resources Business Group were invited for exchange and sharing respectively in Taiwan and Mainland China. The supplier conferences were intended to facilitate ongoing communication with suppliers to help them better deal with sustainability issues and encourage them to include sustainable development into their management agendas.

The Taiwan session entitled Low Carbon Alliance and Harmony Co-Prosperity and the Mainland China session entitled Corporate Sustainability and Energy Conservation discussed sustainability issues and trends. Three topics including ESG trends, sustainable carbon emission management, and smart production technology exchange were also explored to help increase suppliers' knowledge of sustainability governance and strengthen risk management to face up to market challenges together with suppliers, improve supply chain sustainability management, fulfill corporate social responsibilities, and gradually carry out ESG for sustainable development.

Sep. 2023 Taiwan-Supplier PartnerExchange Meeting

(Taipei head office, Hsinchung plant, Yangmei plant, Taichung plant, Yenshui plant)

More than **120 attendees** from suppliers.

Nov. 2023 Mainland China-Supplier Partner Exchange Meeting

(Yantai Walsin, Changshu Walsin, "Jiangyin Walsin (Specialty Alloy), Shanghai Walsin)

More than **150 attendees** from suppliers.

Foci of 2023 Supplier Conferences

Environmental Responsibility

- Invitation of suppliers to join Walsin Lihwa's carbon reduction alliance and communication of Walsin Lihwa's 2025 goal to facilitate supply chain carbon management.
- Promotion of Taiwan's Climate Change Response Act.
- Communication of the revised Supplier Management Commitment, i.e., biodiversity and zero deforestation.

Social Responsibility

- Communication of Walsin Lihwa's human rights policy, ethical management, and protection of whistleblowers.
- Promotion of digitalization of supply chain management.

3.5.3 Customer Service

Walsin Lihwa's Adheres to the Spirit and Philosophy of Serving Customers: Focused on customer and industry development, optimizes the service process and enhances customer trust to create a win-win situation.

To strengthen customer service quality and efficiency, Wire and Cable Business Group precisely manages customer needs quotations, and complaints by dynamic supply adjustment, production plan optimization, and accurate forecasting of customer demand to enable timely delivery. The group is committed to becoming customers' most trusted partner through ongoing service process optimization, responsiveness to customer demand and feedback, and cooperation for joint development. The Stainless Steel Business Group has comprehensively implemented customer relationship management in both Taiwan and Mainland China to integrate quotation, customer complaint, and receivables management, which enables high quality and high efficiency of customer service. Production-wise, stock preparation and scheduling are improved by ongoing data analysis to strengthen delivery stability, In response to the international trend of carbon fees and tariffs, participation in the Program for Promotion of Net Zero Transformation to the Manufacturing Sector of the Industrial Development Administration, Ministry of Economic Affairs in 2023 developed a 1+N carbon management demonstration team together with customers, so that the Stainless Steel Business Group as an upstream steelmaker can be a bellwether to help downstream customers take carbon inventory and diagnose energy saving measures. 11 customers have joined the program, and the business group looks forward to more customers' participation to together promote low-carbon transformation of the stainless steel industry chain.

Customer Satisfaction

For an in-depth understanding of customer feedback to product quality by unscheduled visits to customers, Wire and Cablee Business Group and the Stainless Steel Business Group respectively held 34 technology seminars and 14 focus interviews with their customers in 2023 to gather and analyze customer needs, and completed improvement of many customer part numbers and new product tests. The power cables for big wind turbines and high-speed charging cable sets developed together by Walsin Lihwa and customers are strong backup for customers to enter new markets. Moreover, salespeople' s knowledge of different types of products has been strengthened, so that customers can order different types of products from a single sales window to save the trouble of ordering from multiple windows in the past and strengthen customers' trust in salespeople.

Customer Satisfaction Survey

In 2023, a total of 1,309 customer satisfaction surveys were issued, and 1,159 copies were returned, with a return rate of 88.5%. The overall satisfaction rate of 89.6% increased by 3.1% compared to 86.5% in 2022.

Survey response rate	Overall satisfaction rate
88.5%	**89.6%**

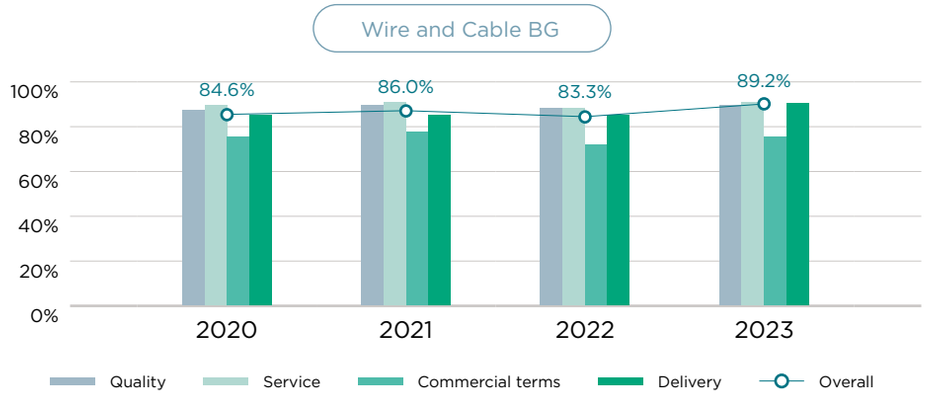
Technical Compliant

Technical compliant management assumes an important role in our commitment to sustainable development and quality control to help identify and resolve key product and service issues to continue improving customer satisfaction. Timely responsiveness to complaints includes product returns and adoption of qualified materials throughout the supply chain. Our commitment to customer satisfaction continues raising the bar for product and service development to demonstrate the confidence in product quality and highlight the emphasis on customer relationship management.

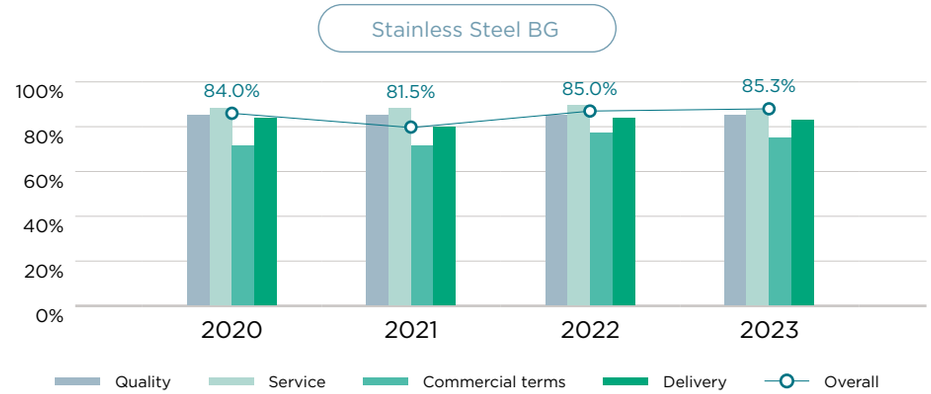
Protection of Customer Privacy

Adhering to the principle of protecting business information and customer privacy, Walsin Lihwa has established regulations such as the "Employee Code of Ethical Conduct" and "Information Security Management Procedures" to prevent unauthorized access, tampering or improper disclosure of information, and to protect customers' privacy and rights. At the same time, through publicity, management review, internal audit, etc., all employees are required to abide by relevant management regulations. In 2023, the Company has not violated the privacy of its customers nor received any complaints from customers about the violation of their privacy.

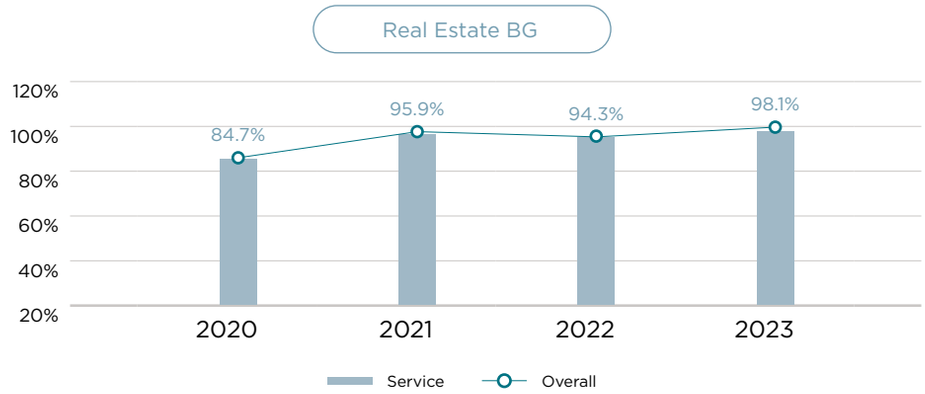
Customer Satisfaction



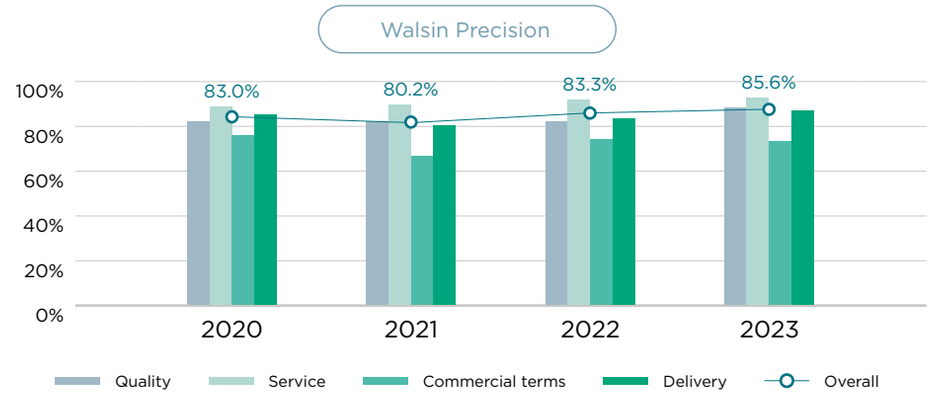
Data source:
2020-2021: Hsinchung plant, Yangmei plant, Shanghai Walsin, Dogguan Walsin, Jiangying Walsin (Steel Cable) ;
2022 - 2023: Hsinchung plant, Yangmei plant, Shanghai Walsin, Dogguan Walsin



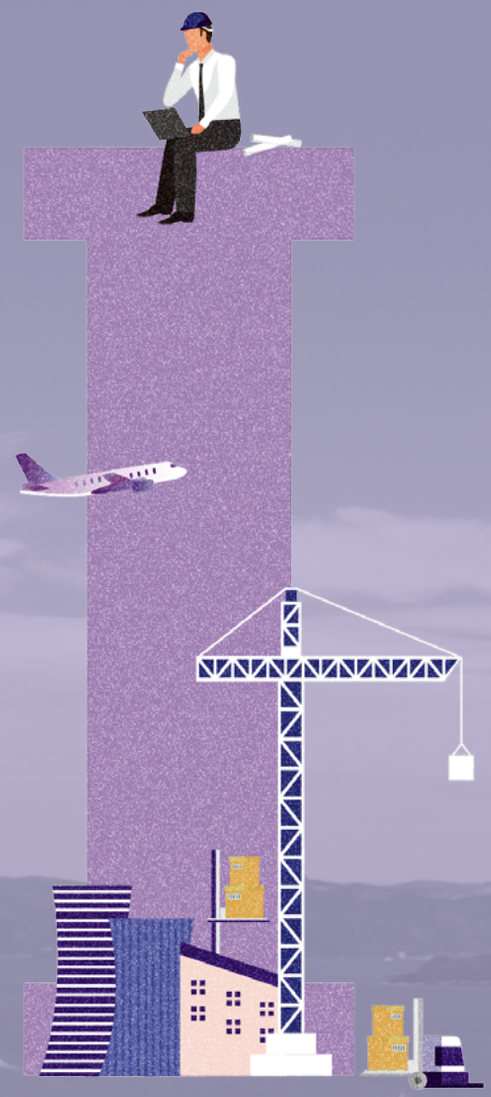
Data source:
2020-2021: Yenshui Plant, Jiangying Walsin (Specialty Alloy Materials), Changshu Walsin ;
2022: Yenshui Plant, Jiangying Walsin (Specialty Alloy Materials), Changshu Walsin, Jiang0ying Walsin (Steel Cable)
2023: Yenshui Plant, Jiangying Walsin (Specialty Alloy Materials), Changshu Walsin, Jiang0ying Walsin (Steel Cable), CAS



Data source: Nanjing Walsin (Property Mgmt.)



Data source: Walsin Precision



01 Product and R&D Innovation

02 Green Products and Operation

03 Product Quality and Responsibility

High-Value Transformation and Smart Manufacturing

nnovation

Sustainability Promotion Strategy:
Continuous improvement and innovation to develop green processes, technologies and products to create shared value with customers and establish a sustainable business model.

Aspect	Objectives for 2023	2023 Results	Objectives for 2024
Wire and Cable	Implementation Guidelines: 1 Commit to Green Business - Playing a key role in the green supply chain 2 Accelerate environment protection and enhance our competitive edge. (Circular Economy)		
	• Development of green products for new electric vehicles, the EV charging plugs passed IEC and UL full-series cable certifications; Assembling and shipping large wind turbine tower cables. • Undertaking collaborative industry-university-research to develop plastic recycling technologies.	• Developed 25 CleanTech products, all of which have been certified, and completed the assembly and shipment of 9.5MW large wind turbine tower HV cables. Additionally, the customer has certified the 14MW offshore wind turbine tower high-voltage cables. • Successfully identified the technology and partners required for development, verifying their capability to regenerate PE pellets, which can be utilized in recycled products in Taiwan.	• Develop three new clean technology products and commenced mass production of 9.5MW DC wiring harness for offshore wind turbine tower. • Assess technology transfer with partners, initiate technology transfer negotiations, and ensure the transfer of technology to the application evaluation stage.
Stainless Steel	Implementation Guidelines: Develop and innovate green technologies for energy saving process, product performance, and industry development, and combine upstream, midstream, and downstream to create a carbon reduction and green industry chain.		
	• Development process optimization: Green process for energy saving and carbon reduction. • Development of high performance green products to enhance the performance on the application-end. • Entering the green industry: Green energy, new energy vehicles, etc.	• The steelmaking, steel rolling, finishing and cold finished steel processes were refined, reducing electricity consumption by 151,547kWh and natural gas consumption by 72,860m^3, which is equivalent to a carbon reduction of 1,270 tonnes of CO_2e. • Completed the development of 4 high-performance stainless steel wire rods.	• Continuously promote process improvement and refinement to increase productivity, effectively reduce power consumption, energy consumption, water saving, waste reduction to achieve carbon emission target. • Enhancement of core technologies such as materials, processing and applications, and development of high-performance green products. • Accelerating new product development and applying technical service capabilities to increase the number of customers in the green industry.
Resources Business	Implementation Guidelines: 1 Implement the green manufacturing process and ensure effective utilization of resources. 2 Develop green energy and carbon reduction projects in response to future risks and opportunities.		
	• The average activation of all production plants to be ≧ 90%. • Continuously optimize the optimal ratio of the reducing agent and thermal coal to achieve best production efficiency. • For the new plant invested in 2022, to complete inspection, confirm the plant design is compliant with the plan, and cooperate with the local government in the implementation of relevant environmental regulations continuously.	• The average activation rate of PT Walsin Nickel Industrial Indonesia's full production plants reached 94%. • PT Sunny Metal Industry's average production activation rate from 2023Q2 to 2023Q4 reached 94%. • Utilized Oxygen-Enriched operation[note] to increase the efficiency of thermal coal usage and to enhance environmental improvement and financial performance. • The full production of Rotary Klin Electric Furnace plant and Power plant have passed all Environmental Impact Assessment requirements and obtained the environmental permit and operating license. Note: Oxygen-enriched operation: Increase the oxygen concentration in the rotary furnace to increase the coal combustion rate and reduce coal usage.	• The Indonesian plants continues to maintain a high activation rate of ≧ 90%. • Explore plans to reduce carbon emission during combustion by 10%-15%. • The Indonesian plants to obtain the ISO 9001 certification.

Highlight

R&D expenses in 2023 amounted to **NT$ 293,565,000**

Refinement of t he production processes for wires, cables and stainless steel resulted in a reduction of **1,792.6** tonnes of CO_2e emissions

Wire and Cable

Completed the assembly and shipment of 9.5MW offshore wind turbine tower HV cables

Cables for electric vehicles meet the requirements of **ISO 19642**

Certification of the entire product line of the CCS1/CCS2 DC charging cable has been completed

The use of packaging materials for wire and cable products **decreased by 3,321 tonnes**, and the utilization rate of recycled packaging materials was **54.69%**

Stainless Steel

8 types of steel have obtained ISO 14021 recycled material certification, with recycled material content reaching over **RC80%**

Stainless steel products are **100%** non-toxic and compliant with RoHS, REACH and other specifications when submitted for inspection

Yantai Walsin was awarded the **"Green Factory"** prestige by Yantai City in 2023

4.1 Product and Technology Innovation

Materials Topics

Walsin Lihwa actively invests in the development of green products and clean technology[note] and regards them as core strategies for sustainable operations. Starting from our core business, we are committed to high value-added products, establishing a resource-based industrial chain, managing upstream suppliers, and implementing green procurement; Implement green manufacturing through the smart manufacturing process; In addition to increasing the proportion of CleanTech products, we hope to create shared value with customers and establish a sustainable business model. The Company actively deploys the new energy industry, responds to the government's policy of promoting renewable energy, and assists in the construction of stable and resilient power supply hardware equipment; We also work with upstream, mid-stream and downstream suppliers to create a green industrial chain to reduce the carbon content of products and increase the added value of our products. In the future, we will also actively invest in the research and development of related clean technologies and continue to refine our products and technologies.

2020~2023 Product output of all the products

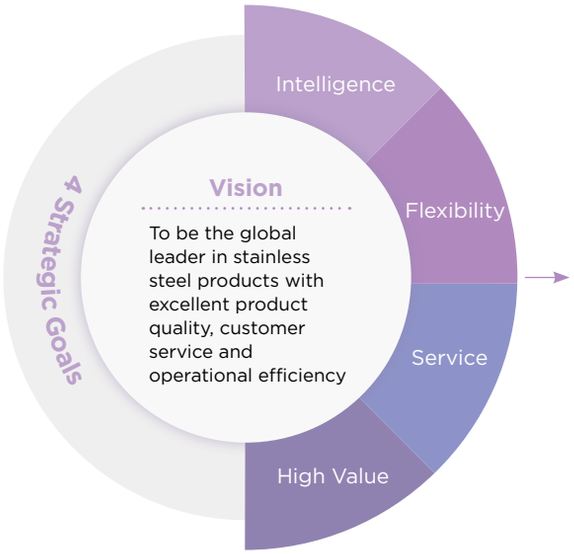
Unit: tonnes

	Smelting Copper	Wire and Cable	Steelmaking	Steel Strand	Nickel-iron (nickel-based)
2020	179,540	37,176	494,001	73,254	N/A
2021	201,646	48,143	514,323	75,911	14,258
2022	165,794	45,537	562,897	66,806	40,956
2023	119,049	36,848	671,656	41,456	89,406

Note: CleanTech's revenue comes from the Wire and Cable Business Group (products include PV cable/solar busbar wire, offshore and onshore wind power cables, electric vehicle charging plugs and green feeder lines); Stainless steel business group (heat exchanger connectors (wind power generation), solar panels (solar energy), fasteners (electric vehicles/wind power generation), seat belt ball parts (electric vehicles), automotive screws (electric vehicles) and steel slag recycling) and Resources Business Group (Nickel for electric vehicle batteries).

4.1.1 High-Value Transformation

Promotion and Implementation of High Value Transformation - Start from the core to embrace smart manufacturing



Value Propositions

- Product Quality
- Customer Service
- Operational Efficiency

Operational Strategy

High Value Define Industry	The Stainless Steel Business'development vision is to position cold finishing rod as the important foundation of the Stainless Steel Business, and target high-value industries and markets through the four strategic goals. Construct a blueprint for future product development through internal and external analysis by "observing from afar and observing up close", and to explore the automotive, oil and gas, energy, petrochemical, marine, and construction industries as the basis and target for achieving our strategic objectives, and to quickly seize the first opportunity and move forward to a potential cash cow industry.
Manufacturing Services Technology Development and Refinement	In order to meet the customers' demands in various processing and end-use applications, and to deepen the relationships, we are seeking to improve our technology in six areas: material strength, processing strength, application strength, simulation strength, testing strength, and certification strength. In terms of the quality assurance culture, we will use the automotive certification IATF 16949 as a leverage to build the quality management system of QS, QC, QA, and QE in the factories, transforming the previous inside-out, bottom-up quality system into an outside-in, top-down, customer-oriented quality management system, to change the traditional manufacturing mindset and shape the manufacturing service capability.
Smart Manufacturing Promote "Core Competence Projects" and "Automation Projects"	Market and customer concerns focus on what differentiated services and products Walsin can offer. In order to win customers' trust and create value for them, not only did we actively continue the Core Competence Projects, but also started the Automation Project. We have set up Core Competence Projects, covering various manufacturing and non-manufacturing functions such as steelmaking, steel rolling, pickling, cold finishing, technology, operations, and business. Other Core Competence Projects have also been completed in 2023.

Strategy rollout

Smart Marketing

In line with the Group's overall strategy of transforming "manufacturing" into "manufacturing services", the Group has introduced value-added services such as automatic order picking and smart logistics systems to enhance service value, sales efficiency, and customer satisfaction.

Smart Logistics

Introduced IoT technology and big data analysis, enabling smart management and control. From supply chain management, production scheduling, logistics and distribution to after-sales service to improve production efficiency, enhanced quality, and reduced costs.

Smart Manufacturing

Introduced advanced automatic and smart equipment and optimized manufacturing processes to achieve the visualization and optimization of the entire production workflow. This has resulted in improved production efficiency and quality, and meet the diverse needs of our customers

To pursue high-value transformation, the Wire and Cable Business and the Stainless Steel Business have simultaneously implemented multiple systematic initiatives. The achievements, progress, and the results of the action plans are as follows:

Pursuit of Excellence
(Breakthrough in equipment and processes)

Wire and cable, as well as stainless steel, are both mature industries. The key to success lies in narrowing the gap in equipment and processes compared to competitors and catching up with industry leaders. It is essential to expand the distance from competitors through thorough investigation and analysis of their capabilities. The initiatives include:

- Setting benchmarks: Conducted investigations and analyses of benchmark companies in the industry to understand their production equipment, product variety, application industries, and technological capabilities.
- Identifying gaps: Recognized the gap between Walsin and the benchmark companies, regarding equipment, products, and technology, and set up our directions and goals.
- Surpassing: Transformed equipment and processes with our set goals, developing innovative products and applications, and closed the gap with benchmark companies.

Boost Efficiency
(Smart manufacturing planning and implementation)

Leveraging technology and harnessing the benefits it brings has been a crucial factor in accelerating our transformation. Walsin has planned ahead and embraced Industry 4.0, automation, and Smart Manufacturing to drive three major automation projects. These initiatives have enabled us to differentiate and enhance manufacturing, quality, cost, and customer service efficiency. As a result, we have been able to increase our value-added offerings:

Established automated production models

Established an automated production mode by implementing the 3As, including automatic production, automatic dispatching, and automatic transportation, leveraging smart manufacturing to optimize production, product quality, and manufacturing costs delivering better services to customers and increasing added value.

Strengthened data utilization and early warning capabilities

- Establish SPC to monitor and issue warnings for production process parameters and quality, in order to reduce process variation and improve process and quality stability.
- Purchase advanced inspection equipment and image recognition software to improve the reliability and representativeness of testing.
- Improve and complete the collection of process parameter data for analysis and investigation of the cause of process or quality abnormalities.
- Integrated MES and machine data to provide visual tools for manufacturing, design, and maintenance teams to monitor production status and adjust production strategies in real time, achieving optimal production capacity.

Boost Efficiency

(Smart manufacturing planning and implementation)

- Developed a real-time facility management system that defines indicator lights to reflect machine status and meet the needs for equipment management.
- Achieved by collecting extensive operational data from machines, we have implemented an equipment predictive diagnostic monitoring system that predicts the timing for equipment maintenance or component replacement, reducing sudden abnormalities.

Analysis method construction and operation

Use big data analysis to improve the efficiency of quality abnormality analysis to ensure better quality.

Fostering and retain analysis talents

- Cultivate big data analysis talent, establish talent training and certification mechanisms, and improve the quality and efficiency of data analysis.
- Establish a knowledge base and online/ knowledge exchange mechanism to centrally manage the company's technology and knowledge resources.

Enable Innovation

(Technology capability development and planning)

In response to the evolving trends and customer demands, developing new products with high-performance, long-lasting, energy efficient, and carbon-reducing is the future direction. Through breakthroughs in equipment, process, smart manufacturing, and various core projects, we narrowed the gap with industry pioneers. Our strategies for advancement include the following:

Deepening material (product) technology

Developing product materials and metallurgic technologies to improve material performance and meet customer needs.

Innovating production and process

Developing innovative production processes and equipment technologies to enhance product development efficiency.

Strengthening application technology and services

Enhancing product application effectiveness and improving the development of application capabilities through solid product application technology and technical services.

Integration and refinement/value re-creation

Integrate three items above with intelligent transformation and intelligent knowledge management (iKM), communicate with customers and understand their needs in each industry, provide complete solutions, and move toward manufacturing services.

Establishing core technical capability

We have established the Core Competence Project to develop the core competencies and technologies required by our factories, and to build a competitive advantage through the development and strategy formulation of industry needs, applications, products, quality, and technologies, in order to build up a competitive advantage of "no one has what we have".

Built a dynamic cable CAE fatigue analysis model based on a large amount of experimental data to strengthen the lifespan prediction and accelerated design verification of active cables.

Market Expansion

(Industry and market positioning analysis)

In order to quickly enter the market of high-end applications, we need to understand the industry, technology, and technological changes of competitors and analyze the industry and market positioning, and Walsin performs both by observing from afar and observing up close, and we have constructed a two-way development blueprint for technology and products：

Observing from afar:

understand and pay attention to the overall environmental trends, and to recognize the changes in the macro environment to find out the direction of future expansion.

Observing up close:

analyze customer inquiry records, industry development trends, and customer applications to establish technology, equipment and other capabilities and market needs, and establish products that can be developed that meet future needs.

According to the aforementioned blueprint, we will establish target products for development and identify projects that drive technology development, supplemented by customer needs to identify the future stars of tomorrow, in order to carry out early expansion. The overall operation can be integrated, including:

- Analyze and seize the trend of the general environment to establish the future development direction.
- Analyze and investigate the products and applications needed by industries, to further verify the gap of technologies and equipment.
- Establish industry analysis abilities to determine the necessary materials, related requirements, and market trends in the industry.
- Establish market survey abilities and conduct market surveys to understand customers, demand, and consumption in the industry.
- Verify and develop target products, and conduct industrial chain surveys.
- Verify technology development items and directions.
- Develop products with high added value and high-end applications industries, improving our technical capabilities and product quality.

4.1.2 CleanTech R&D and Investment

Through continuous research and development, we provide essential products for CleanTech industries such as solar energy, wind power and electric vehicles. Develop low-carbon, eco-friendly materials to align with low-carbon policies and sustainable operations, including materials that comply with the energy storage standards of the Technical Inspection Association (TÜV), and invest in the development of recycled and eco-friendly insulation materials. We plan to launch cable modules suitable for green energy and electric vehicle charging plugs that have passed multiple certifications. At the same time, we are focusing on Internet of Things cable applications for Industry 4.0, such as heavy machinery and automated ports, and a number of products have been developed, including high voltage cables and composite cables for automation applications. Products developed in 2023 include high-voltage cables in 14MW offshore wind turbine towers, electric vehicle fast charging cable sets, automated heavy machinery hybrid cables, etc. Looking to the future, we plan to develop 25 types of cable modules for green energy applications, and develop 24 types of electric vehicle charging that have been certified by European safety standards (IEC), Voluntary Product Certification (VPC) and North American safety standards (UL). Among them, 7 certifications have been obtained, and 1 electric vehicle cable will be ISO 19642 certified by 2023.

New Product	Categories	Performance	Applications
High-strength and heat-resistant stainless steel	Bar / Wire rod	Has high strength, and heat resistance.	Automotive, energy, and aerospace industries
High heat-resistant stainless steel	Wire rod	Has excellent resistance against high temperature oxidation, corrosion, and high temperature strength.	Industrial heat treatment furnace's high temperature transmission conveyors and furnace tubes
High heat-resistant stainless steel with high creep resistance	Bar	High heat resistance, high-temperature corrosion resistance, high-temperature oxidation resistance and high creep resistance to improve power plant efficiency and boiler life.	Power plant ultra-supercritical boiler tubes
Duplex Stainless Steel	Bar / Wire rod	It has the characteristics of both Austenite and fertilized iron. It is resistant to pitting corrosion, stress, corrosion, has high strength, and is suitable for environments with chlorine.	Petrochemical, chemical industry, equipment adjacent to the ocean, etc.
Soft magnetic and machinable stainless steel	Bar / Wire rod	Soft magnetic and highly machinable to extend the service life of machine tools and improve the performance of end products.	Electric vehicle valve components
High voltage cable in the wind turbine tower for the 14MW offshore wind turbine tower	High Voltage Cable	The cable features a unique flexible conductor design with large angle torsion tolerance. The insulation is made of non-lead HEPR, capable of handling voltages exceeding 72kV. This cable maintains exceptional torsion resistance even in harsh, low-temperature environments.	Large wind turbine tower cables for off-shore wind farms
DC charging cable sets	Charging Plug	High flexibility, with a current range of 80A to 300A, compliant with CCS1 and CCS2 charging cable standards.	Electric vehicle fast charging cable sets
Liquid-cooled cables	Power Cable	The cooling liquid is used to directly cool the core wire, enabling high current capacity and rapid heat dissipation. Additionally, it features a compact and lightweight structural design.	High current, fast charging cable
Lightweight design for dynamic cables	Power Cable	Small size, light weight, high flexibility, good wear resistance.	Industry 4.0 applications such as machine tools, robots, robot arms, and chain systems
Spreader Cable with Optical Fiber	Power Cable	Composite cable design with optical fiber meets the IoT application requirements for port equipment.	Heavy machinery and equipment, spreader basket, suspension impact resistant areas

【Yenshui Plant】High-strength and corrosion resistant stainless steel

WLS 550 is a Martensite stainless steel with Mo, Ni, which combines the corrosion resistance of Austenite with the strength and hardness of high carbon Martensite, and is suitable for drilling screws in outdoor and marine environments. A hardness of over 550 Hv is obtained through the heat treatment process; For self-tapping screws, a 3 mm iron plate can be penetrated in 3 seconds. Corrosion resistance is equivalent to SUS 304, salt spray test >6000 hrs without rust.

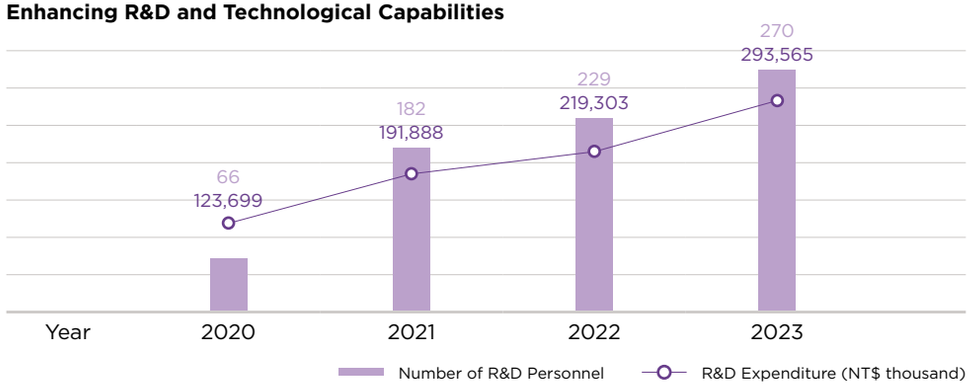
【Jiangyin Walsin (Specialty Alloy Materials)】 Development of electric vehicle related parts and materials

The development of stainless steel materials for electromagnetic valves by Jiangyin Walsin Specialty Alloy Materials together with relevant component and part manufacturers strengthens cooling water system control efficiency, decreases energy waste, and enables hydraulic control system improvement to help ensure high overall system efficiency, so that the global goals of energy saving and carbon reduction can be better achieved along with new technology advances in response to highly efficient environmental protection.

4.1.3 Diverse Innovation Energy

In order to respond to the challenges of market and industrial changes and develop products that meet market demand, Walsin has advanced its technological deployment. In recent years, we have been actively cooperating with higher education and research institutions to enhance R&D and manufacturing capabilities, improve material characteristics and product performance, so as to expand the scope of application of the products in various industries and provide customers with more diversified product choices.

Enhancing R&D and Technological Capabilities



Establishing University Innovation and Research Centers

Promoting industry-academia collaboration and utilizing external resources is one of the strategies to promote the high-value transformation of Walsin. Through the past collaboration experiences, Walsin has established an excellent rapport with the National Taiwan University and joined hands with outstanding talents in the material field to create an innovation research and development center. It will not only benefit the cultivation of related technical talents, but also speed up the resolution of bottlenecks encountered in development and strengthen the ability to develop new products, so as to take the lead in the industry.

Industry-Academia Collaboration Research Projects

Walsin Lihwa has partnered with universities and research institutes in Taiwan to promote various industry-academia collaborations and external research projects to deepen the expansion of products and technologies, plan technological blueprints, expand the depth and breadth of process technology through the combination of theoretical knowledge and practical experiences, and increase the energy of research and development. There were more than 157 participants, and the project cost exceeded NT$26.41 million.

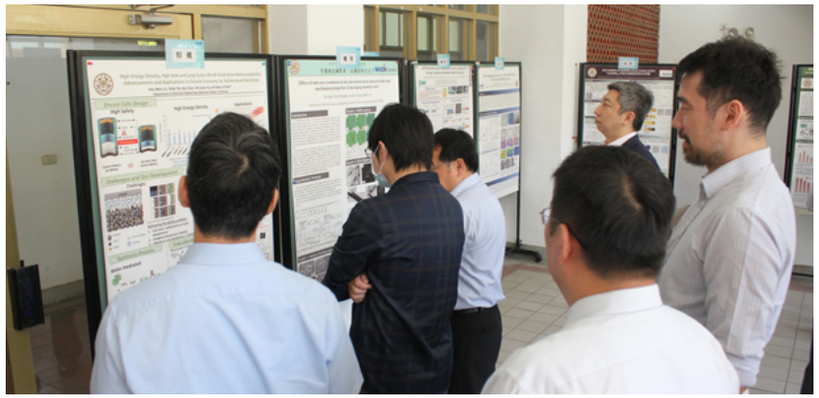
Collaboration Projects	Collaboration Target	Beneficiaries	Collaboration Content
University Innovation and Research Center	National Taiwan University	University Professors/ University Students/ Research personnel of Walsin Lihwa	Accelerate product development/ industrial application development
Industry-academia collaboration research projects	8 Taiwanese universities	University Professors/ University Students/ Research personnel of Walsin Lihwa	Solving development bottlenecks/process simulation analysis
Research Institutes	2 Taiwanese research institutes	Research personnel of Walsin Lihwa	Deepen technical refinement/strengthen technical breakthroughs

Research Projects

#	Collaboration Theme	Collaboration Content
1	The effect of chemical composition and heat treatment on the microstructures of stainless steel spring	To understand the core characteristics of precipitation hardening stainless steel materials for springs and to deepen the design concept.
2	Research on stainless steel screws: Optimization of QT heat treatment technology	Refinement of heat treatment technology to improve downstream screw applications and performance.
3	Research on microstructure and machinability properties of stainless steel - research on product differences	Research on the impact of material processes on machinability, and the gradual establishment of material properties required by the automotive industry.
4	Stress analysis of free-cutting Ferritic Steel	Understanding the influence of process parameters on the microstructure and machinable properties of free cutting Ferritic Steel.
5	The effect of oxygen content on the microstructure and mechanical properties of steel	Investigate the type, shape, size, distribution of nonmetallic inclusions, and analysis of the micro-nano scale hardness test.
6	Mechanical properties of stainless steel materials and heat treatment application technology	Establish the CCT diagrams of the Martensite system, and the influence of different heat treatment conditions on the microstructure and mechanical properties.
7	Research on heat resistance of materials used in conveyor belts under high temperature in different carbon potential environments	Effect of oxidation resistance of wires under different carbon potentials of constant temperature oxidation and cyclic oxidation.
8	Study on the effect of heat treatment on wear resistance of linear rail materials made of Martensite steel	Establishing the key technology of material design for linear rail application.
9	Coupling model establishment and numerical simulation of continuous casting mold for stainless steel to secondary cooling zone	Establishing simulation prediction and application for continuous casting process.
10	Research on the high-temperature friction behavior of ductile iron and stainless steel	Analyze the high-temperature oxidation and wear behavior between the roll and the stainless steel blank during hot rolling, and explore the occurrence of wear behavior in order to improve the slipping phenomenon.
11	High temperature deformation simulation and testing of nickel-chromium stainless steel	Carry out high temperature deformation simulation and testing of nickel chrome stainless steel.

Sustainability Poster Competition at the Walsin-NTU Research and Development Center

Walsin Lihwa The Innovation and Research Center of National Taiwan University held the Second Sustainability Poster Competition Award Ceremony and Symposium at the College of Engineering of National Taiwan University in May 2023. The poster competition focused on two topics: green energy and stainless steel materials, and was targeted to participants from universities and colleges in Taiwan. A total of more than 70 students, 30 research teams, 14 universities, and 59 research works have signed up to participate. After the paper, video and on-site selection, the final selection of 4 high distinctions, 16 excellent and honorable mention posters were selected. It is believed that through this industry-university exchange, research and development energy will be pooled to help the future development of the industry.



4.1.4 Intellectual Property Rights Protection

Walsin promoted the "Taiwan Intellectual Property Management System" (TIPS), which introduces the latest corporate governance assessment of intellectual property management indicators, setting up a systematic standard for the acquisition, protection, maintenance, and utilization of the company's intellectual property, and to establish systematic management of the company's and organization's intellectual property. Since the introduction of TIPS in 2020, we have successfully passed verification continuously. We passed TIPS A-level verification for the third time in 2023, and the verification is valid until 2025.

- R&D and technology-related data are stored in a dedicated confidential database, access rights are controlled, and relevant files and documents are marked with confidential labels.
- Regulations and controls for providing confidential information to the outside world have been established, where approval procedures and confidential labeling controls are required before the information can be provided.
- When new products are developed, patent investigation and checking for infringement of others' patents must be conducted, and if patent infringement is involved, a patent design around must be evaluated.

Current Executions

A total of 14 invention patent applications were filed in 2023, including 4 applications from the Wire & Cable Business group in Taiwan, Mainland China, the European Union and the United States, for technologies related to the charging guns of electric vehicles; The Stainless Steel Business group filed for a total of 9 applications in Taiwan and mainland China, and obtained 4 patents in Taiwan; 1 IT patent applications. To encourage colleagues to apply for patents, Walsin Lihwa provides patent application and certification bonuses. A total of 18 colleagues received bonuses in 2023.

4.2 Green Product and Operation

Materials Topics

Walsin Lihwa adopts the "Continued development of high performance green products to reduce the impact on the environment by moving toward a circular economy and improving the performance of the application-end" strategy and is committed to achieving "recycling and reuse" in the use of materials. We optimize our production processes based on the principle of "energy saving and carbon reduction", and develop high-performance products that are "net-zero carbon and sustainable" in order to meet our commitment to assisting our customers and end-users in achieving energy efficiency and carbon reduction goals.

4.2.1 Green Product Development

The Company actively engages in the development of CleanTech products, such as "wind power cables", "lightweight cables for heavy machinery" and "fast charging plug cables for electric vehicles," providing solutions for the renewable energy and electric vehicle industries. We began to lay out the solar power transmission cable market in 2016, secured an indicative project order in 2018, and consistently enhanced our engineering services at the project site, achieving a market share of over 25% in Taiwan in 2022. In terms of the development of cables in wind turbine towers, our initial focus was on torsion-resistant power cables in wind turbine towers for onshore applications. In 2020, we initiated the development of DC & HV cables for offshore wind turbine towers, and in 2023, we delivered HV cables for 9.5MW offshore wind turbines, and actively participated in the development of torsionally-resistant high-voltage cables for wind turbine towers exceeding 14MW and completed customer certification.

Wire and Cable Business Group focuses on the developing charging cable sets in response to the burgeoning global electric vehicle industry. In 2023, we completed the development and certification of CCS1/CCS2 series of DC charger cable set, applicable to mainstream charger cable set products ranging from 80A to 300A; The Resources Business Group introduced nickel pig iron (NPI) and converted it into a high-ice nickel manufacturing process, entered into the supply chain for batteries, and is actively laying the groundwork for the clean technology industry.

In 2022, Nanjing Walsin (Real Estate) T1 Office Building completed construction and began operations. The building is certified by the U.S. Green Building Council's Leadership in Energy and Environmental Design for Structures (LEED-CS, Core & Shell Development), as well as by the Green Building Council and the Gold Level Certification of the International WELL Building Institute.

	Product	Category	Benefit in environmental protection and energy saving	Application
Wire and Cable	Solar (PV) cables	♠	The cables connect to solar panels, withstand UV radiation, and ensure solar power system electricity transmission and grid integration.	DC cables, AC cables
	Offshore and onshore wind turbine cables	♠	Used in wind power systems to collect and integrate electricity into the grid, ensuring urbine nacelle operation under various weather conditions.	Nacelle cables, tower internal cables, high voltage cables
	DC charging cable set	♠	Utilized for land-based EV charging, including fast charging systems for various EVs (small electric vehicles, electric buses, electric trucks, large electric forklifts).	Electric vehicle charging, high current charging, charging stations
	Lightweight chain cables	♣♠	Reduced cable weight by 15% using recyclable materials, meeting equipment system manufacturer requirements. Lightweight, small outer diameter, excellent wear resistance, reduced operational energy consumption.	Heavy machinery and equipment, machine tools, automation equipment
	Eco-friendly insulation materials	♠♦	Thermoplastic materials offer high-temperature resistance, mechanical strength, and insulation properties, replacing cross-linked materials. Features low carbon emission, recyclability, and eco-friendliness.	Low-voltage power transmission
	Spreader Cable with Optical Fiber	♠♦	Composite cables with fiber optics are designed to meet the needs of port automation equipment for transmitting large volumes of IOT data.	Heavy machinery and equipment, spreader basket
	Low carbon footprint packaging	♠♦	Develop high mechanical strength recyclable materials for pallets and spools to replace some of the wood materials. Offers low carbon emission, recyclability, and eco-friendly characteristics.	Packaging materials for wire and cables

	Product	Category	Benefit in environmental protection and energy saving	Application
Stainless Steel	High heat-resistant stainless steel	♣♠♦	High heat resistance prolongs the service life of equipment and decrease outages that results from equipment failures and lowers energy consumption.	Thermal processing furnace conveyors and radiant heat treatment furnace tubes
	High heat-resistant stainless steel with high creep resistance	♣♠♦	High heat resistance, high-temperature corrosion resistance, high-temperature oxidation resistance and high creep resistance to improve power plant efficiency and boiler life	Power plant ultra-supercritical boiler tubes
	Resistant to post-weld cracking, sensitization and high corrosion resistance of stainless steel for welding	♣♠♦	It has high corrosion resistance and high temperature strength, and is resistant to sensitization and welding cracking, and is used in high-efficiency equipment welding.	Welding electrode, flux cored electrode
	Duplex Stainless Steel	♣♠♦	High strength for material weight reduction: Resistant to pitting corrosion and can be used in chlorine-containing environments.	Petrochemical, chemical industry, equipment and components that are adjacent to the ocean, etc.
	Highly machinable and corrosion resistant stainless steel	♣♠♦	Increased corrosion resistance and extended life of workpieces and tools through material modification.	Automation, automotive, OA equipment components

Note：♣ Enhanced service life ♠ Energy conservation and carbon reduction ♦ Material performance improvement

4.2.2 Green Product Life Cycle Assessment

Walsin examines and manages the environmental impact of products from the aspects of raw material use, energy use, and greenhouse gas emissions, etc. Use a high ratio of "recycled and reusable" raw materials to effectively utilize natural resources; In the production process, we are improving the production process of our plants based on "energy saving and carbon emission reduction" and continuously optimized. In terms of products, we aim to develop high-performance products that are "net zero and sustainable". We are committed to helping our customers and end-users achieve more energy-efficient and carbon-reducing products. Take the production of stainless steel as an example:

Step 1

Acquisition of raw materials

A high ratio of recycled raw materials and reusable raw materials are used for production. In 2023, eight steel types were certified for ISO 14021 recycled material content, and their recycled material content reached more than RC80% or more than RC90% respectively. Of the total input raw materials in 2023, recycled raw materials account for approximately 39.92%, and reusable raw materials (such as ferrochrome, ferronickel, flat steel blanks, steel coils, steel blanks, steel bars, etc.) account for 60.08%.

Step 2

Production

Adhering to the concept of compatibility between production and environmental protection, we deepen the process technology to improve the efficiency and effectiveness of product production, and achieve the benefits of reducing energy consumption, saving electricity and reducing waste.

Achievements in 2023:

- Through process optimization and refinement of steelmaking, steel rolling, finishing, and cold refining processes, 1,270 tonnes of CO_2e was reduced.
- Through the development of smart power consumption system and improvement of the automatic control mode of the cooling water system, a total of 2,060,701 kWh of electricity was saved, which is equivalent to saving 1,020 tonnes of CO_2e.
- Replace the old motor (IE1) with the new motor (IE3) to improve energy efficiency and reduce carbon emissions by approximately 44 tonnes of CO_2e.

Step 3

Use

Walsin bought back the production and used scraps from customers and put them back into production. In 2023, we purchased approximately 8,193 tonnes of scraps.

Step 4

Wastes

Stainless steel is 100% recyclable. Waste products are converted into reusable raw materials after recycling. Waste produced in the manufacturing process can also be turned into reused products through technological development.

- In recent years, Walsin has researched and developed the reuse of steel furnace ballast as a building material. Approximately 160,000 tonnes have been eliminated and we continue to develop recycled products Reduced ballast can be reprocessed into low-temperature autoclaved/ calcium silicate board raw materials. In recent years, about 780,000 tonnes have been eliminated.
- At the same time, we continue to conduct research on resource classification, management and reuse of process waste to improve waste reduction efficiency.

4.2.3 Status on Raw Material Use

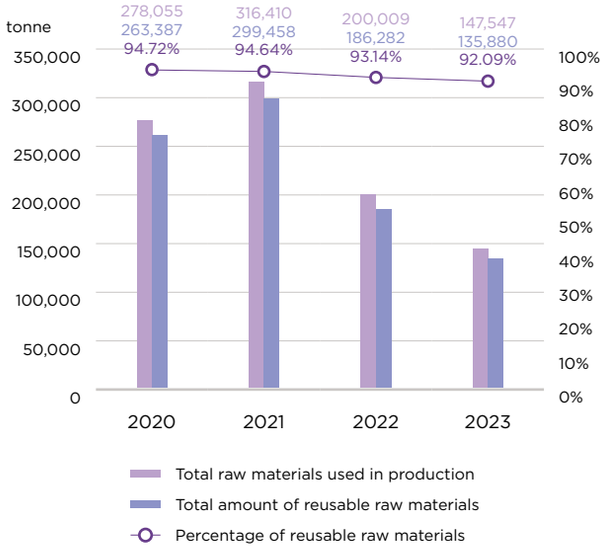
Adhering to the concept of "circular economy", Walsin reduces raw material consumption and increases recycling rates by improving production processes and technologies.

The production of copper wires and cables mainly uses highly recyclable pure copper. With the development of green products, recyclable TPE and PVC materials are partially utilized to replace non-renewable PE pellets and plastics. In 2023, the proportion of reusable raw materials used reached 92.09%.

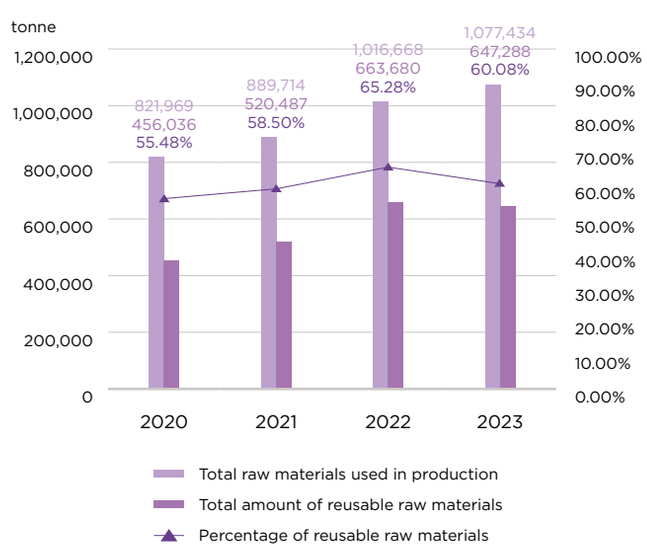
Stainless steel production is carried out by the electric furnace steelmaking method, which utilizes a high percentage of recycled scrap steel and reusable iron alloys, including waste stainless steel, waste carbon steel, ferrochrome, and ferronickel, etc. In addition, the raw materials used include flat steel blanks, steel blanks, steel coils, steel rods, and coils. Scrap stainless steel and carbon steel are both recycled raw materials. In 2023, recycled raw materials accounted for 39.92% of the total raw materials. Ferrochrome, ferronickel, flat steel blanks, steel coils, steel blanks, steel bars, etc. are reusable raw materials that can be recycled and reused after being processed into finished products. The proportion of reusable raw materials used in 2023 accounted for 60.08 %.

Plan applicable packing materials and methods for wire and cable products based on product type, customer requirements, transportation needs, etc., prioritizing the utilization of recycled packaging materials (including but not limited to pallets, iron frames, iron shafts, wooden shafts, sealing boards, etc.) and lightweight packaging materials (such as lightweight steel plates) to achieve waste reduction and minimize environmental impact. In 2023, the quantity of packaging materials decreased by approximately 3,321 tonnes compared to the previous year, with recycled packaging materials accounted for 54.69% of the annual use of recycled packaging materials.

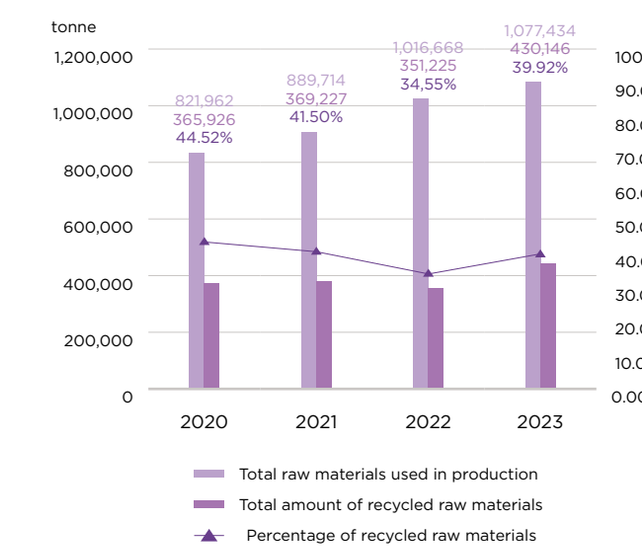
Copper wire and wire and cable production raw materials used vs. use of reusable raw materials



Stainless steel production raw materials used vs. use of reusable raw materials



Stainless steel production raw materials used vs. use of recycled raw materials



4.2.4 Green Manufacturing Process

In order to fulfill the commitment of "environmental sustainability development, we focus on process and technology improvement, with the core strategy of "developing and innovating green technologies for process energy saving, product performance, and industry development". The focus is on the future expansion of "process and material", where we are committed to "resource saving", "water saving", "electricity saving", and "energy saving" as the long-term goal of green process development.

Goal	Benefits (kWh or m^3/year)		Carbon Reduction (tonnes CO_2e/year)	Highlight Achievements
Equipment performance optimization	Electricity savings (kWh)	2,294,337	1,147	•Installation of new and highly efficient assembling machines to improve production efficiency. •Installation of energy-efficient lighting. •Installation of energy-saving inverter motors to enhance energy utilization efficiency. •Development of a smart power utilization system for automatic control improvement in the cooling water system.
Process technology optimization	Electricity savings (kWh)	832,692	498	Manufacturing Wire and Cables •Implemented a high-efficiency cooling system to reduce the operation frequency and the number of dryers, cooling towers, cooling pumps and cooling equipment. •Optimized the lighting system within the plant to reduce energy consumption. •Upgraded the main steam pipe within the plant area to save natural gas. •Enhanced the plant's cooling water filtration method by introducing a new physically-operated, electricity-free water activator. •Improved boiler efficiency by capturing and utilizing residual heat to reduce energy consumption and enhance combustion efficiency. •Collaborated with production planning to precisely schedule the operation cycle of exhaust/air compression equipment.
	Energy conservation (Gas-m^3)	67,976		
	Electricity savings (kWh)	240,000	1,056	Steelmaking process improvement.
	Energy conservation (Gas m^3)	900		
	Electricity savings (kWh)	127,547	107	Steel rolling mill process improvement.
	Energy conservation (Gas m^3)	20,556		
	Energy conservation (Gas m^3)	23,642	49	Refinement process improvement.
	Energy conservation (Gas m^3)	27,762	58	Cold finishing process improvement.
Pollution prevention and waste treatment equipment	Water conservation (m^3)	4,776	-	Recycled softened water reclaimed wastewater, reduced the amount of circulating water in the system, and reduced the cooling water consumption of the back rollers of the flame cutting machine and the continuous casting machine.

Smart Manufacturing and Low Carbon Manufacturing

In 2023, Wire and Cable Business Group applied the IoT and equipment monitoring technology to establish a high-performance production facility at the Yangmei Smart Manufacturing Plant. By collecting information and data, we can monitor the status of production, sales and production processes, reduce manual intervention on the production line, and address uncertainties between product design and manufacturing, thereby reducing the use of raw material resources and carbon emissions. Future initiatives include installing solar power generation systems and using high-efficiency automated production equipment to achieve an annual carbon reduction target of 1.5%.

In addition, in recent years, the international community has promoted recycling scrap copper to produce copper materials, with carbon footprint and energy consumption reductions exceeding 60%[Note]. In order to comply with ESG trends and requirements, many major international manufacturers now mandate that copper products contain a certain proportion of recycled copper (Apple and Google require suppliers to use more than 20% recycled copper). The Copper Materials Division of Wire and Cable Business Group actively promotes raw material recycling methods and utilizing scrap copper from within the group for development and research. The products already meet international standards, and we plan to apply for certification in 2024 to provide the highest quality products and support our customers to jointly achieve the goal of ESG corporate sustainability.

Note: Source of Information European Circulation Institute/Metal Center MII-ITTS.

【Yangmei Smart Manufacturing Plant】 Advanced Warehousing and Logistics

Warehousing automation can help companies manage the process of moving products in and out of the warehouse with minimal manual labor. It also automatically records and retains product entry and exit information, reducing the error rate associated with human input and data analysis, thereby achieve accurate delivery. The hardware construction and commissioning of the automated warehousing system has been completed in Q4 of 2023, and it is expected to be officially put into operation in 2024, bringing more efficient and flexible warehousing management and enhancing the efficiency of the supply chain.

Automatic Warehousing

Automatic Storage & Retrieval System (AS/RS) is a solution that fully utilizes the plant area space for high-density storage, including automatic retrieval machines, conveyor systems, control software, robots and other elements. Through the collaborative work of these components, the warehouse can effectively manage inventory, access data and continuously monitor the status of inventory materials. This reduces the risk of human errors and inventory loss, enhances management efficiency, and boosts overall work productivity.

Quick Packaging

The automated application of AS/RS integrated with robotic arms enables the rapid sorting and picking process of the packaging line, improving the picking processing efficiency and reducing the need for manual labor. This system ensures a high degree of automation in warehousing and allows for quick and accurate retrieval of required materials or products. As a result, it enhances production capacity, reduces costs, and improves workplace safety.

Precision Distribution

Precision distribution comprises two main modules: terminal dispatch management and vehicle transportation management. Terminal dispatch effectively arranges the transportation and distribution of products at the terminal while accurately scheduling and managing vehicles within the facility to achieve loading and unloading in under 30 minutes. In vehicle transportation management, it covers the smart order dispatching weight system and electronic signature system. Through visual dashboards, vehicle routes and traffic are effectively organized to ensure timely product delivery to customers and provide an instant electronic signature confirmation.

【Yangmei Smart Manufacturing Plant】 Automatic Material Handling System

In 2023, Walsin planned to introduce the Automatic Material Handling System (AMHS), scheduled to go live in 2024.

The logistics facilities at level L1 including AGV / Stocker / OHT / Lifter, etc., collectively known as AGVS, are widely used in automated material handling. They serve as independent operating handling systems or can be integrated with MCS systems to manage material storage and transportation tasks in the manufacturing process. They are suitable for handling various materials from different loading points to different unloading points, enabling flexible production lines and cost reduction. Typically powered by lithium batteries, they follow paths marked by buried wires or reflective paint on the floor, guided by sensors to achieve uncrewed operation. The Material Control System (MCS) at level L2 plays a crucial role in smart factories, influencing the flow of materials. The MES system dispatches transportation tasks to MCS, which monitors the status of all materials and logistics facilities in the entire factory and selects the optimal route for delivery, thereby reducing transmission time, avoiding ineffective waiting, increasing factory efficiency and achieving comprehensive smart manufacturing.

Three major aspects of the AGV Control System

AGV Stationary System

The AGV upper-level control system performs task allocation, vehicle management, traffic management, communication management, etc., for multiple AGVs in the system.

Onboard System

After receiving instructions from the upper-level system, the AGV onboard system is responsible for the navigation, guidance, path selection, vehicle driving, loading and unloading and other functions.

Navigation and Mapping

The walking speed and steering angle are controlled according to the path offset to ensure accurate driving to the position and target location.

4.3 Product Quality and Responsibility

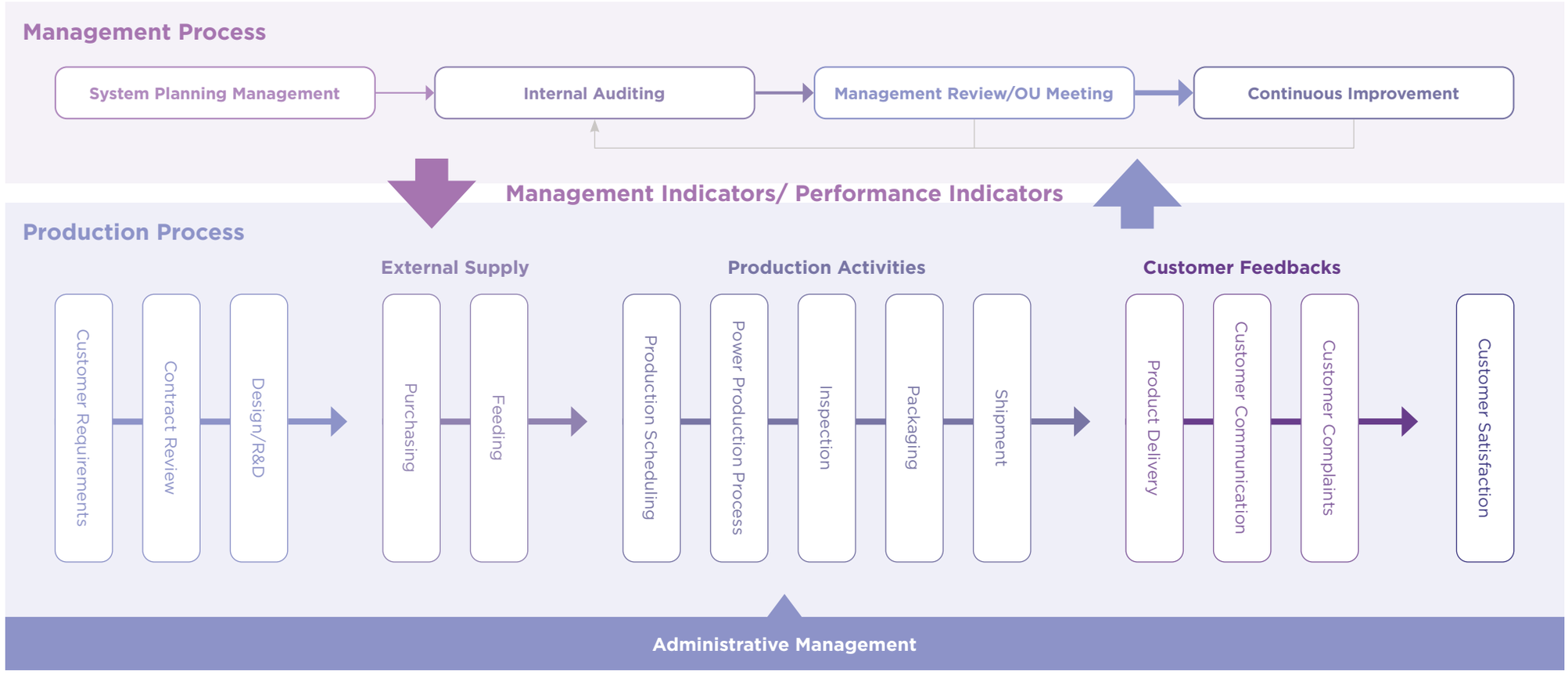
Materials Topics

4.3.1 Product Quality and Management Processes

Walsin Lihwa adheres to the spirit of "foresight, persistence, and hard work in research and development" to implement PDCA cycle management of Plan, Do, Check, and Act. In terms of product quality control, in addition to complying with international standards and industry needs, we have obtained multiple product certifications. The Wire and Cable and Stainless Steel Business Groups follow the ISO 9001 Quality Management System and strengthens quality management and risk control. Through process management and technology application, from product design to after-sales service, we ensure that the quality of our products meets customer expectations. We adopt PDCA and Business Process Re-engineering (BPR) strategies to improve operational efficiency and personnel capabilities, and strengthen independent quality management. We promote DMAIC solutions, and through Define, Measure, Analyze, Improve and Control, we apply advanced quality tools and big data to conduct risk assessment and quality control to ensure that products meet "Zero defects" and achieves a win-win situation of quality and customer satisfaction.

Quality Management Systems and Processes Flowchart

Plan, do, check, and action on various processes of the quality management system to ensure the achievement of organizational quality objectives and continuous improvement.



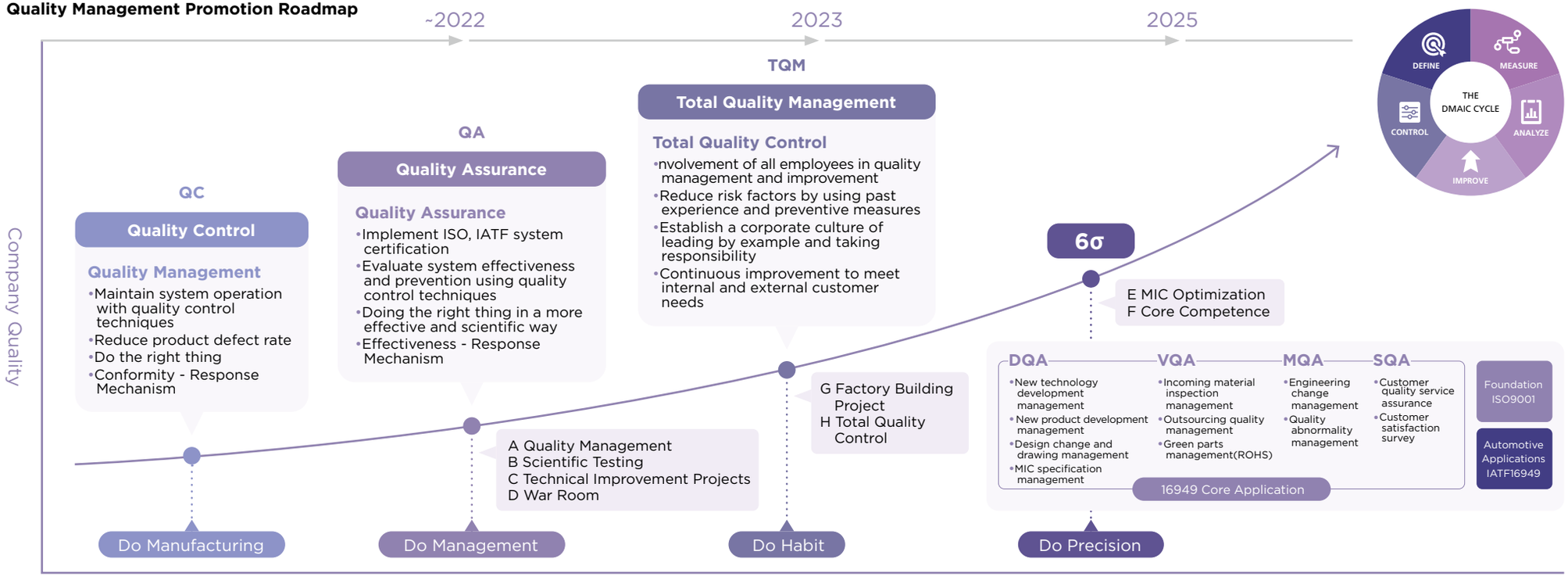
Walsin is committed to "innovation, stable quality, and efficient management", constantly improving product quality, expanding the market, establishing a reliable quality system, and implementing quality improvement action plans:

- The quality assurance department has been given independent responsibilities and authority.
- Adopt international-level testing equipment, establish a TAF-level testing laboratory, and cooperate with third-party organizations to ensure technical verification.
- Strengthen risk management and ensure the reliability of products and services through analysis.
- Strengthen product portfolio and industry-university-research cooperation, improve the success rate of new product development and open up new markets.
- Provide customers with the required certifications to ensure product performance and quality and meet market demands.
- Improve manufacturing capabilities, apply Industry 4.0 technology, and produce high-quality industrial cables.
- Establish strong auditing and certification capabilities and continuously improve the quality management system through the PDCA concept.

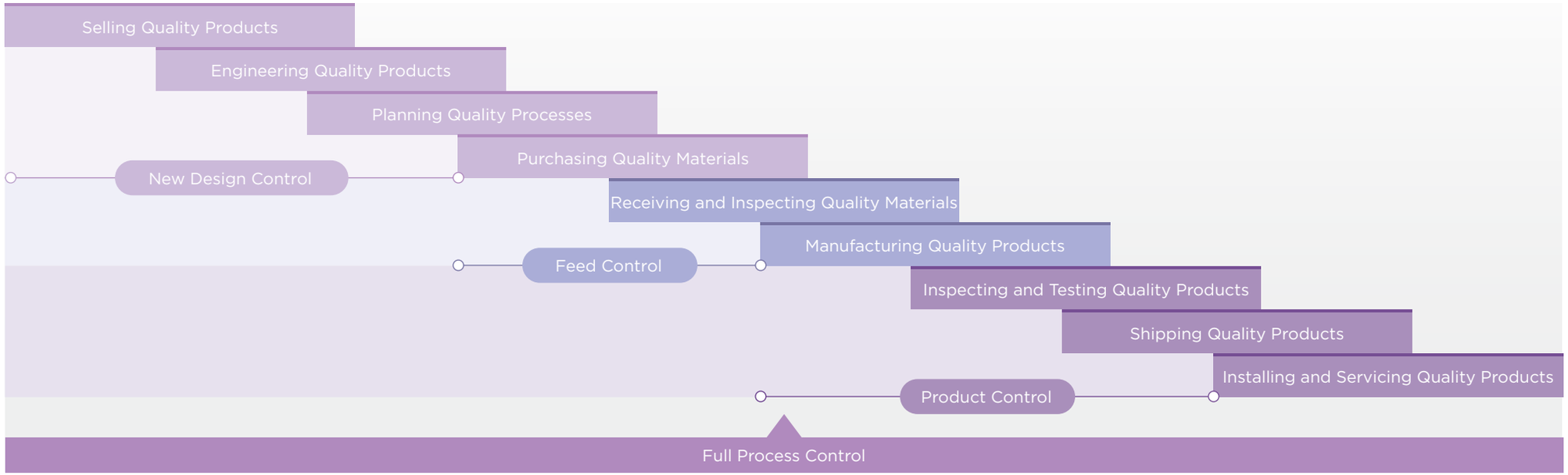
In the Wire & Cable Business Group, we have continued to obtained third-party certifications under ISO 9001 and classification societies from the United States (ABS) / France (BV)/ Norway and Germany (DNV-GL)/ the United Kingdom (LR)/Japan (NK)/ Taiwan (CR) and other countries, British Approvals Service for Cables (BASEC), Loss Prevention Certification Board (LPCB), North American safety standards (UL), and VPC (Voluntary Product Certification) in accordance with the relevant industry information and trade certification regulations of each country as a basis for entering the industry supply chain and expanding our sales applications and channels.

The Stainless Steel Business Group aims to become the most reliable cold precision rod supplier in Asia's intelligent manufacturing field. Adopting the strategies of high value, service, flexibility and intelligence, the Group pursues "zero-defect" quality based on the ISO 9001 quality management system and the integration of IATF 16949 processes and risk management. We improved yield rate, reduced costs, maintained industry leadership through lean management, adopted unified quality management standards to meet customer and market needs, at the same time we obtained multiple international certifications to ensure the accuracy of measurement and inspection capabilities, expand service markets, and comply with applicable regulations, including pressure vessel PED/ AD 2000, classification society verification and other industrial categories; Japan JIS MARK product verification, India BIS product verification, EU CE product verification and other national level certifications. Taiwan Plant has passed the Saudi SASO and global automotive industry quality management system IATF 16949 certification, and obtained the UK Conformity Assessed (UKCA) and UK Pressure Equipment Safety Regulations (PESR) certification in 2023.

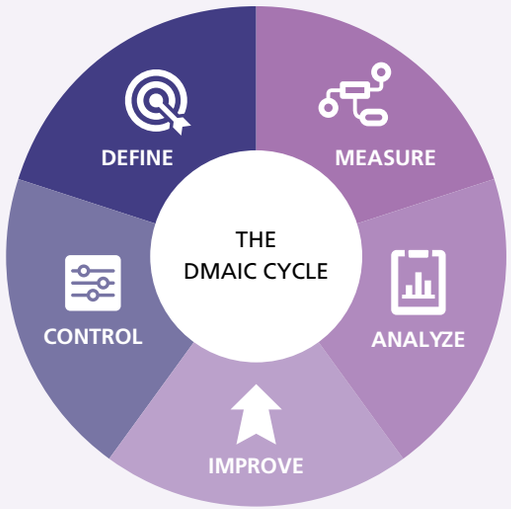
Quality Management Promotion Roadmap



Production Quality Control Diagram



DMAIC Problem Solving Techniques



Technical Skills	•Translation skills •Rapid diagnosis of problems, identification of key indicators, and impact factors •Inspection capability Soft skills of personnel: NDE, Appropriateness of testing methods Hardware capability: Automation, high sensitivity, highcredibility
Analysis	•EDA •Statistical techniques •DOE
Monitoring	•War Room •SPC、RTM •RMS

【Hsinchung Plant】 Charging Plug Connectors and Cable for DC Electric Vehicle have passed the national standard

In 2023, Wire and Cable Business Group obtained the Voluntary Product Certification (VPC) from the Bureau of Standards, Metrology and Inspection of the Ministry of Economic Affairs for the assembly and cables of DC electric vehicle charging sets (CCS1 and CCS2 series), certifying that our electric vehicle charging products comply with national standards. This certification not only supports the construction and development of charging facilities in Taiwan but also establishes a solid foundation for the ecosystem of the electric vehicle industry in Taiwan.

【Taichung Plant】SASO Certification and UKCA-CPR and UKCA-PESR Certification

The steel coil products under the Stainless Steel Business Group were certified by Saudi Arabia's SASO in 2022 and UKCA-CPR and UKCA-PESR in 2023 to meet the requirements of the automotive industry in Saudi Arabia and the UK respectively, helping our customers to trade freely and legally in various economies around the world and expanding their business to create a win-win situation.

UKCA- CPR UKCA-PESR

4.3.2 Control of Hazardous Substances in Products

Walsin Lihwa recognizes the importance of fulfilling corporate citizenship responsibilities and strictly controls the quality of products and services to ensure that no harmful substances are added. Ensure compliance with relevant regulations through raw material inspection and international chemical management monitoring. We adopt low-energy consumption and low-pollution processes, do not use conflict minerals, conduct regular third-party testing, and update and disclose hazardous material information to meet the highest safety standards. The products comply with RoHS, REACH and other regulations, demonstrating Walsin's commitment to non-toxicity in the manufacturing process.

The wire and cable products produced in 2023 are 100% free of hazardous substances in the usage specifications for the countries where they are sold, are declared to be compliant with REACH (SVHC) requirements, and can fully demonstrate that no hazardous substances are added to the company's products during the manufacturing process.

Stainless steel product compliance with regulations and inspection

	2020	2021	2022	2023
EU RoHS 2.0 European Union Restriction of Hazardous Substances	100%	100%	100%	100%
REACH(SVHC) European Union Candidate List of Substances of Very High Concern (SVHC)	100%	100%	100%	100%
PFOS Restriction on the sale and use of perfluorooctanesulfonic acid	100%	100%	100%	100%
PFOA Perfluorooctanoic acid and related compounds	100%	100%	100%	100%
EN71-3 European toy safety standard	100%	100%	100%	100%

100% table inspection compliance.

Appendix 1: About the Report

Walsin Lihwa Corporation (hereafter referred to as Walsin Lihwa or the Company) started to issue its annual sustainability reportNote1 in 2014 according to the Global Reporting Initiative (GRI) Standards to disclose non-financial information. The English version of the report has become available since 2017 to strengthen communication and transparency. The report is the 10th edition from our company, aiming to continuously provide stakeholders with more comprehensive and transparent ESG information.

Business Scope and Period of Disclosure

The information disclosed herein started on January 1, 2023 and lasted through December 31, 2023. Walsin Lihwa's business scope covers wire and cable, stainless steel, resources business as well as real estate. What is disclosed herein includes the Company's important business locations[Note2] including:

Wire and Cable Business	Taiwan	Yangmei Plant, Hsinchuang Plant
	Mainland China	•Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. (hereinafter referred to as "Shanghai Walsin") •Dongguan Walsin Wire & Cable Ltd. (hereinafter referred to as "Dongguan Walsin")
Stainless Steel Business	Taiwan	Yenshui Plant, Taichung Plant
	Mainland China	•Yantai Walsin Stainless Steel Co., Ltd. (hereinafter referred to as "Yantai Walsin") •Changshu Walsin Specialty Steel Co., Ltd. (hereinafter referred to as "Changshu Walsin") •Jiangyin Walsin Specialty Alloy Materials Co., Ltd. (hereinafter referred to as “Jiangyin Walsin (Specialty Alloy Materials)”) •Jiangyin Walsin Steel Cable Co., Ltd. (hereinafter referred to as "Jiangyin Walsin (Steel Cable)")
	Malaysia	Walsin Precision Technology Sdn. Bhd. (hereinafter referred to as "Walsin Precision")
	Italy	Cogne Acciai Speciali S.p.A (hereinafter referred to as "CAS")
Real Estate Business	Taiwan	Taipei Head Office
	Mainland China	•Walsin (Nanjing) Development Co., Ltd. (hereinafter referred to as "Nanjing Walsin (Real Estate)") •Nanjing Walsin Property Management Co., Ltd. (hereinafter referred to as "Nanjing Walsin (Property Mgmt.)")
Other	Mainland China	Walsin China Investment Co., Ltd. (hereinafter referred to as "Walsin China Investment")

Note 1: The 2014 – 2020 annual reports are referred to Corporate Social Responsibility Report.

Note 2: In 2023, the disclosure scope expanded to include Cogne Acciai Speciali (referred to as CAS), a subsidiary company. For CAS's individual sustainability report, please refer to its sustainability webpage. https://www.cogne.com/en

Note 3: The disclosure scope of this report, in comparison with the company's financial reports (https://www.walsin.com/en/investors/financial-info/#pills-annual-reports), mainly differs in that it does not include PT. Walsin Lippo Industries, PT. Walsin Nickel Industrial Indonesia and PT. Sunny Metal Industry. If there are discrepancies in the disclosure boundaries of various indicators in the report compared to the aforementioned, explanations will be provided in relevant sections.

Reporting Basis and Framework

Guidelines and Principles

The contents and framework of this report are structured according to the 2021 edition of the GRI Standards, the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the SASB standards for the electrical & electronic equipment, iron & steel producers, and the TCFD recommendations.

Source and Management of Data

The data in this report provided by the head office and each operating units and compiled by the sustainability office were reviewed by individual promotion centers under the Sustainable Development Committee. Subsequently, they were submitted to the President (Chief Sustainability Officer), the Sustainability Development Committee, and the Board of Directors for approval prior to publication of this report. Financial information in the report was audited by certified public accountants; the environmental safety and health management systems are subject to periodic internal audits as well as annual external audits, including ISO 14001, ISO 14064-1, ISO 14067, ISO 45001, ISO 46001 and ISO 50001[Note].

External Assurance

The Chinese version of this report was externally reviewed by Deloitte & Touche in accordance with the Statements of Assurance Engagements Standards No. 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and a Limited Assurance Report was obtained. Please refer to the appendix for details on the scope and conclusions in the assurance report.

Date of Publication and Period

The Company releases its sustainability report on an annual basis. The report's electronic version is available for download on the Company's official website.

- Date of first issue: Published in May 2015
- Previous issue: Published in May 2023 • Current issue: Published in May 2024
- Previous reports: https://esg.walsin.com/en/report-download

Contacts

Please contact us if you have any questions or suggestions about this report.
Contact method:
Walsin Lihwa Corporation, Sustainability Office
ADD: 25F, No.1, Songzhi Rd., Taipei 11047, Taiwan
TEL: 02-8726-2211 ext. 6398
E-mail: esg@walsin.com
Company website: www.walsin.com

Note: Plants that have obtained third party certification
ISO 14001 Environment Management: Individual plants in Taiwan and Mainland China, Walsin Precision, CAS.
ISO 14064-1 Green House Gas Inventory: Individual plants in Taiwan and Mainland China, Walsin Precision.
ISO 14067 Carbon Footprint of Products: Two products from the Hsinchuang Plant; Verification conducted every two years.
ISO 45001 Occupational Health and Safety Management: Individual plants in Taiwan and Mainland China, CAS.
ISO 46001 Water Efficiency Management Systems: Taichung plant.
ISO 50001 Energy Management: Individual plants in Taiwan, Shanghai Walsin, Yantai Walsin, CAS.

Appendix 2: GRI content index (in accordance with the GRI Standards)

Statement of use : Walsin Lihwa Corporation has reported in accordance with the GRI Standards for the period started on January 1, 2023 and lasted through December 31, 2023.

GRI 1 used : GRI 1: Foundation 2021

Applicable GRI Sector Standard(s) : During the reporting period of this report, no applicable GRI Sector Standards have been issued.

Material Topic	GRI Standards	Information Disclosed	Corresponding Chapter	Page	Remarks
Universal Standard					
	GRI 2: General Disclosures 2021				
	The organization and its reporting practices				
	2-1	Organizational details	Company Profile Appendix 1, About the Report	7 134	
	2-2	Entities included in the organization's Sustainability reporting	Appendix 1, About the Report	134	
	2-3	Reporting period, frequency and contact point	Appendix 1, About the Report	134	
	2-4	Restatements of information			No information re-editing. Any textual or numerical corrections will be noted in the relevant sections.
	2-5	External assurance	Appendix 1, About the Report Appendix 8, Limited Assurance Report Issued by the Accountant	134 161	
	Activities and workers				
	2-6	Activities, value chain and other business relationships	Company Profile 3.2 Business Performance 3.5 Supply Chain Sustainability and Customer Service	7 100 110	
	2-7	Employees	2.1.3 Human Resources Policies and Human Resources Structure	65	
	2-8	Workers who are not employees	2.1.3 Human Resources Policies and Human Resources Structure 2.4.3 Contractor Management and Auditing	65 81	

Material Topic	GRI Standards	Information Disclosed	Corresponding Chapter	Page	Remarks
★	Governance				
	2-9	Governance structure and composition	3.1 Corporate Governance	95	
	2-10	Nomination and selection of the highest governance body	3.1 Corporate Governance	95	
	2-11	Chair of the highest governance body	3.1.1 Governance and Operation	96	Please refer to the 2023 Annual Report, "Section 3: Corporate Governance Report."
	2-12	Role of the highest governance body in overseeing the management of impacts	Material Topic Analysis 3.1 Corporate Governance	18 95	
	2-13	Delegation of responsibility for managing impacts	3.4.1 Risk Management	104	
	2-14	Role of the highest governance body in sustainability reporting	Appendix 1, About the Report	134	
	2-15	Conflicts of interest	3.1 Corporate Governance	95	
	2-16	Communication of critical concerns	Material Topic Analysis 3.4 Risk Management and Compliance	18 103	
	2-17	Collective knowledge of the highest governance body	3.1.1 Governance and Operation 3.1.2 Sustainable Governance	95 98	
	2-18	Evaluation of the performance of the highest governance body	3.1.1 Governance and Operation	97	
	2-19	Remuneration policies	2.3 Talent Motivation and Retention 3.1.1 Governance and Operation	73 97	The highest governance body and the remuneration policy for senior managerial officers are introduced in the 2023 Annual Report: Corporate Governance Report > Remunerations to Directors, President and Vice Presidents in the Most Recent Year.
	2-20	Process to determine remuneration	2.3 Talent Motivation and Retention 3.1.1 Governance and Operation	73 97	Please refer to the company's 2023 Annual Report: Corporate Governance Report > Corporate Governance Status > Composition, duties and operation of the Compensation Committee.
	2-21	Annual total compensation ratio			A disclosure of the ratio of the highest annual compensation to the median annual compensation is being studied and not disclosed this time.

Material Topic	GRI Standards	Information Disclosed	Corresponding Chapter	Page	Remarks
	Strategy, policies and practices				
★	2-22	Statement on sustainable development strategy	Message from Chairman Message from President and Chief Sustainability Officer Progress Towards Sustainability	3 5 10	Please refer to the respective chapter prefaces of this report for the targets and objectives of the various facets of our company's sustainable development initiatives in 2023.
	2-23	Policy commitments	2.1 Human Rights and Talent Management Policy 3.3 Business Integrity 3.5 Supply Chain Sustainability and Customer Service	63 101 110	
	2-24	Embedding policy commitments	2.1 Human Rights and Talent Management Policy 2.4.1 Occupational Safety and Health Policy 3.3 Business Integrity 3.5 Supply Chain Sustainability and Customer Service	63 76 101 110	
★	2-25	Processes to remediate negative impacts	Stakeholder Engagement 2.1 Human Rights and Talent Management Policy 3.3 Business Integrity 3.4 Risk Management and Compliance	19 63 102 103	
★	2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement 3.4.1 Risk Management	19 106	
★	2-27	Compliance with laws and regulations	1.3 Waste Management 2.4.2 Workplace Safety 3.4.3 Regulatory Compliance	57 80 109	
	2-28	Membership associations	Appendix 7, Participation in External Organizations	160	
	Stakeholder engagement				
	2-29	Approach to stakeholder engagement	Identification of Material Topics	18	
	2-30	Collective bargaining agreements	2.1.1 Human Right Policy	64	
	GRI 3: Material Topics 2021				
	3-1	Process to determine material topics	Identification of Material Topics	18	
	3-2	List of material topics	Identification of Material Topics	23	
	3-3	Management of material topics	Identification of Material Topics	27	

Material Topic	GRI Standards	Information Disclosed	Corresponding Chapter	Page	Remarks
Economic topics					
★	GRI 201: Economic Performance 2016				
	201-1	Direct economic value generated and distributed	3.2 Business Performance	100	Please refer to the company's 2023 Annual Report.
	201-2	Financial implications and other risks and opportunities due to climate change	1.1 Climate Action (TCFD)	34	
	201-3	Defined benefit plan obligations and other retirement plans	2.3 Talent Motivation and Retention	73	
	GRI 202: Market Presence 2016				
	202-2	Proportion of senior management hired from the local community	2.1.4 Embrace diversity, Create inclusion, and Maintain equality--Manpower Diversity Indicators	68	
	GRI 204: Procurement Practices 2016				
	204-1	Proportion of spending on local suppliers	3.5 Supply Chain Sustainability and Customer Service	111	
★	GRI 205: Anti-corruption 2016				
	205-2	Communication and training about anti-corruption policies and procedures	3.3 Business Integrity	102	
	205-3	Confirmed incidents of corruption and actions taken	3.4.3 Regulatory Compliance	109	No violation
★	GRI 206: Anti-competitive Behavior 2016				
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			No violation
Environmental topics					
	GRI 301: Materials 2016				
	301-3	Reclaimed products and their packaging materials	4.2.3 Status on Raw Material Use	127	
★	GRI 302: Energy 2016				
	302-1	Energy consumption within the organization	1.2.2 Energy Saving and Carbon Reduction Management	43	
	302-3	Energy intensity	1.2.2 Energy Saving and Carbon Reduction Management	44	

Material Topic	GRI Standards	Information Disclosed	Corresponding Chapter	Page	Remarks
	302-4	Reduction of energy consumption	1.2.2 Energy Saving and Carbon Reduction Management	45	
★	GRI 303: Water and Effluents 2018				
	303-1	Interactions with water as a shared resource	1.3.2 Water Resources Utilization and Wastewater Treatment	52	
	303-2	Management of water discharge-related impacts	1.3.2 Water Resources Utilization and Wastewater Treatment	52	
	303-3	Water withdrawal	1.3.2 Water Resources Utilization and Wastewater Treatment	53	
	303-4	Water discharge	1.3.2 Water Resources Utilization and Wastewater Treatment	54	
	303-5	Water consumption	1.3.2 Water Resources Utilization and Wastewater Treatment	53	
★	GRI 305: Emissions 2016				
	305-1	Direct (Scope 1) GHG emissions	1.2.2 Energy Saving and Carbon Reduction Management	48	
	305-2	Energy indirect (Scope 2) GHG emissions	1.2.2 Energy Saving and Carbon Reduction Management	48	
	305-4	GHG emissions intensity	1.2.2 Energy Saving and Carbon Reduction Management	47	
	305-5	Reduction of GHG emissions	1.2.2 Energy Saving and Carbon Reduction Management	45	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	1.3.1 Air Pollution Control and Amount of Pollutant Emission	50	
★	GRI 306: Waste 2020				
	306-1	Waste generation and significant waste-related impacts	1.3.3 Waste and Resource Recycle	55	
	306-2	Management of significant waste-related impacts	1.3.3 Waste and Resource Recycle	55	
	306-3	Waste generated	1.3.3 Waste and Resource Recycle	55	

Material Topic	GRI Standards	Information Disclosed	Corresponding Chapter	Page	Remarks
	306-4	Waste diverted from disposal	1.3.3 Waste and Resource Recycle	55	
	306-5	Waste directed to disposal	1.3.3 Waste and Resource Recycle	55	
	GRI 308: Supplier Environmental Assessment 2016				
	308-1	New suppliers that were screened using environmental criteria	3.5.2 Implementation of Supply Chain Management	112	
Social topics					
★	GRI 401: Employment 2016				
	401-1	New employee hires and employee turnover	2.1.3 Human Resources Policies and Human Resources Structure	67	
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	2.3 Talent Motivation and Retention	73	
	401-3	Parental leave	2.3 Talent Motivation and Retention	74	
★	GRI 402: Labor/Management Relations 2016				
	402-1	Minimum notice periods regarding operational changes	2.3 Talent Motivation and Retention	74	
★	GRI 403: Occupational Health and Safety 2018				
	403-1	Occupational health and safety management system	2.4.1 Occupational Safety and Health Policy	77	
	403-2	Hazard identification, risk assessment, and incident investigation	2.4.2 Workplace Safety	78	
	403-3	Occupational health services	2.4.4 Foci on Occupational Health and Safety	82	
	403-4	Worker participation, consultation, and communication on occupational health and safety	2.4.1 Occupational Safety and Health Policy	77	
	403-5	Worker training on occupational health and safety	2.4.2 Workplace Safety	78	
	403-6	Promotion of worker health	2.4.4 Foci on Occupational Health and Safety	82	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.4 Workplace Safety and Health	76	
	403-8	Workers covered by an occupational health and safety management system	2.4.1 Occupational Safety and Health Policy	77	
	403-9	Work-related injuries	2.4.2 Workplace Safety	79	
	403-10	Work-related ill health	2.4.2 Workplace Safety	79	

Material Topic	GRI Standards	Information Disclosed	Corresponding Chapter	Page	Remarks
	GRI 404: Training and Education 2016				
	404-1	Average hours of training per year per employee	2.2 Talent Cultivation and Empowerment	69	
	404-3	Percentage of employees receiving regular performance and career development reviews	2.3 Talent Motivation and Retention	73	All employees are periodically evaluated.
	GRI 405: Diversity and Equal Opportunity 2016				
	405-1	Diversity of governance bodies and employees	2.1.4 Embrace diversity, Create inclusion, and Maintain equality--Manpower Diversity Indicators 3.1.1 Governance and Operation	68 95	
	405-2	Ratio of basic salary and remuneration of women to men	2.3 Talent Motivation and Retention	68	
	GRI 406: Non-discrimination 2016				
	406-1	Incidents of discrimination and corrective actions taken			No violation
	GRI 408: Child Labor 2016				
	408-1	Operations and suppliers at significant risk for incidents of child labor	2.1.1 Human Right Policy	64	
	GRI 416: Customer Health and Safety 2016				
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			No violation
	GRI 417: Marketing and Labeling 2016				
	417-2	Incidents of non-compliance concerning product and service information and labeling			No violation
	417-3	Incidents of non-compliance concerning marketing communications			No violation
	GRI 418: Customer Privacy 2016				
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.5.3 Customer Service	115	No violation

Appendix 3: SASB Index: Steel Industry Sustainability Indicators (TWSE)

Walsin Lihwa's selection of applicable disclosure topics from the SASB Materiality Map's 77 industries within 11 thematic sectors takes into account the Company's operations:

- Sector: Resource Transformation, Extractives & Minerals Processing
- Industry: Electrical & Electronic Equipment, Iron & Steel Producers

Electrical & Electronic Equipment

Topic Boundaries: Wire and Cable Business Unit (Yangmei Plant, Hsinchuang Plant, Dongguan Walsin, Shanghai Walsin)

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting Metrics	Category	2020 Data	2021 Data	2022 Data	2023 Data	Corresponding chapter	Page
Energy Management	RT-EE-130a.1	(1) Total energy consumed	Quantitative	872,819.25x10^9 joules	992,812.8x10^9 joules	865,414.55 x10^9 joules	612,715.36 x10^9 joules	1.2.2 Energy Saving and Carbon Reduction Management	43
		(2) Percentage grid electricity		100.00%	100.00%	100.00%	98.53%	1.2.2 Energy Saving and Carbon Reduction Management	43
		(3) Percentage renewable		0.00%	0.00%	0.00%	1.47%	1.2.2 Energy Saving and Carbon Reduction Management	43
Hazardous Waste Management	RT-EE-150a.1	Amount of hazardous waste generated	Quantitativ	1,815.13 tonnes	38.05 tonnes	38.36 tonnes	27.72 tonnes	1.3.3 Waste and Resource Recycle	55
		Percentage of hazardous waste recycled		0.00%	0.00%	20.33%	69.07%	1.3.3 Waste and Resource Recycle	55
	RT-EE-150a.2	Number of reportable spills		0	0	0	0	1.3.3 Waste and Resource Recycle	57
		Aggregate quantity of reportable spills		0 kg	0 kg	0 kg	0 kg	1.3.3 Waste and Resource Recycle	57
		Aggregate quantity of reportable spills recovered		0 kg	0 kg	0 kg	0 kg	1.3.3 Waste and Resource Recycle	57
Product Safety	RT-EE-250a.1	Numbers of recalls issued	Quantitative	0	0	0	0		
		Total units recalled		0	0	0	0		
	RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings		NT$ 0	NT$ 0	NT$ 0	NT$ 0		

Topic	Code	Accounting Metrics	Category	2020 Data	2021 Data	2022 Data	2023 Data	Corresponding chapter	Page
Product Lifecycle Management	RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	7.54%	6.48%	8.77%	14.48%		
	RT-EE-410a.2	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria		N/A	N/A	N/A	N/A		
	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products		NT$ 283,895,094	NT$ 1,060,709,258	NT$ 475,450,900	NT$ 498,137,005	4.2 Green Products and Operation	125
Materials Sourcing	RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis					3.4.1 Risk Management 3.5 Supply Chain Sustainability and Customer Service	103 111
Business Ethics	RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery	Discussion and Analysis					3.3 Business Integrity	101
		Description of policies and practices for prevention of: (2) anti-competitive behavior						3.4.3 Regulatory Compliance	109
	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	NT$ 0	NT$ 0	NT$ 0	NT$ 0		
	RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	NT$ 0	NT$ 0	NT$ 0	NT$ 0		

Activity Metrics

Code	Activity Metric	Category	2020 Data	2021 Data	2022 Data	2023 Data	Corresponding chapter	Page
RT-EE-000.A	Number of units produced by product category	Quantitative	Copper wire: 179,540 tonnes Wire & Cable: 37,176 tonnes	Copper wire: 201,646 tonnes Wire & Cable: 48,143 tonnes	Copper wire: 165,794 tonnes Wire & Cable: 45,537 tonnes	Copper wire: 119,049 tonnes Wire & Cable: 36,848 tonnes	4.1 Product and Technology Innovation	119
RT-EE-000.B	Number of employees	Quantitative	955 persons	962 persons	999 persons	965 persons		
	The percentage of the revenues of the aforementioned activity metrics and topic boundaries in consolidated revenues	N/A	35.2%	39.8%	32.6%	23.8%		

Note: The 2020 report disclosed the consolidated data of topic boundaries. The SASB industry standards were adopted in 2021 for disclosures at the plants suitable for the standards. Based on the attributes of products, the SASB standard applicable to Jiangyin Walsin (Steel Cable) was changed to the Iron & Steel Producers industry, and the data for 2020-2021 was updated retroactively. In 2023, operational adjustments were made at the Dongguan Walsin, with energy and waste not included in the above table.

Iron & Steel Producers

Topic Boundaries: Stainless Steel Business Unit [note] (Yenshui Plant, Taichung Plant, Yantai Walsin, Changshu Walsin, Jiangyin Walsin (Specialty Alloy Materials), Walsin Precision, CAS)

Topic	Code	Accounting Metrics	Category	2020 Data	2021 Data	2022 Data	2023 Data	Corresponding chapter	Page
Greenhouse Gas Emissions	EM-IS-110a.1	Gross global Scope 1 emissions covered under emissions-limiting regulations	Quantitative	171,122.78 tonnes CO_2e	179,032.53 tonnes CO_2e	176,377.88 tonnes CO_2e	280,416.05 tonnes CO_2e	1.2.2 Energy Saving and Carbon Reduction Management	46
		Percentage covered under emissions-limiting regulations		0.00%	0.00%	0.00%	0.00%	1.2.2 Energy Saving and Carbon Reduction Management	46
	EM-IS-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis					1.2.2 Energy Saving and Carbon Reduction Management	42

Topic	Code	Accounting Metrics	Category	2020 Data	2021 Data	2022 Data	2023 Data	Corresponding chapter	Page
Air Emissions	EM-IS-120a.1	Air emissions of: (1) CO	Quantitative	0 tonnes	0 tonnes	0 tonnes	0 tonnes	1.3.1 Air Pollution Control and Amount of Pollutant Emission	50
		Air emissions of: (2) NOx (excluding N_2O)		99.04 tonnes	127.46 tonnes	99.75 tonnes	275.34 tonnes	1.3.1 Air Pollution Control and Amount of Pollutant Emission	50
		Air emissions of: (3) SOx		10.18 tonnes	10.29 tonnes	22.68 tonnes	29.01 tonnes	1.3.1 Air Pollution Control and Amount of Pollutant Emission	50
		Air emissions of: (4) particulate matter (PM10)		85.71 tonnes	57.12 tonnes	72.02 tonnes	80.84 tonnes	1.3.1 Air Pollution Control and Amount of Pollutant Emission	50
		Air emissions of: (5) manganese (MnO)		0 tonnes	0 tonnes	0 tonnes	0 tonnes	1.3.1 Air Pollution Control and Amount of Pollutant Emission	50
		Air emissions of: (6) lead (Pb)		0 tonnes	0 tonnes	0 tonnes	0 tonnes	1.3.1 Air Pollution Control and Amount of Pollutant Emission	50
		Air emissions of: (7) volatile organic compounds (VOCs)		3.33 tonnes	11.73 tonnes	3.94 tonnes	5.94 tonnes	1.3.1 Air Pollution Control and Amount of Pollutant Emission	50
		Air emissions of: (8) polycyclic aromatic hydrocarbons (PAHs)		0 tonnes	0 tonnes	0 tonnes	0 tonnes	1.3.1 Air Pollution Control and Amount of Pollutant Emission	50
Energy Management	EM-IS-130a.1	(1) Total energy consumed	Quantitative	7,246,262.27x10^9 joule	7,680,406.05x10^9 joule	7,515,011.32 x10^9 joule[note]	9,713,392.83 x10^9 joule	1.2.2 Energy Saving and Carbon Reduction Management	43
		(2) Percentage grid electricity		100.00%	100.00%	100.00%	100.00%	1.2.2 Energy Saving and Carbon Reduction Management	43
		(3) Percentage renewable		0.00%	0.00%	0.00%	0.00%	1.2.2 Energy Saving and Carbon Reduction Management	43

Topic	Code	Accounting Metrics	Category	2020 Data	2021 Data	2022 Data	2023 Data	Corresponding chapter	Page
Energy Management	EM-IS-130a.2	(1) Total fuel consumed	Quantitative	2,124,972.46x10^9 joule[note]	2,340,843.45x10^9 joule[note]	2,127,096.29 x10^9 joule[note]	3,897,277.21 x10^9 joule	1.2.2 Energy Saving and Carbon Reduction Management	43
		(2) Percentage coal		0.00%	0.00%	0.00%	0.00%	1.2.2 Energy Saving and Carbon Reduction Management	43
		(3) Percentage natural gas		100.00%	100.00%	100.00%	100.00%	1.2.2 Energy Saving and Carbon Reduction Management	43
		(4) Percentage renewable		0.00%	0.00%	0.00%	0.00%	1.2.2 Energy Saving and Carbon Reduction Management	43
Water Management	EM-IS-140a.1	(1) Total fresh water withdrawn	Quantitative	1,127.69x10^3 m^3	1,225.63x10^3 m^3	1,433.31x10^3 m^3	13,007.50x10^3 m^3	1.3.2 Water Resources Utilization and Wastewater Treatment	52
		(2) Percentage recycled		92.86%	92.39%	90.00%	48.54%%	1.3.2 Water Resources Utilization and Wastewater Treatment	53
		(3) Percentage in regions with High or Extremely High Baseline Water Stress		13.10%	16.90%	14.81%	3.06%	1.3.2 Water Resources Utilization and Wastewater Treatment	52
Waste Management	EM-IS-150a.1	Amount of waste generated	Quantitative	239,235.44 tonnes	195,506.33 tonnes	231,348.28 tonnes	329,114.62 tonnes	1.3.3 Waste and Resource Recycle	55
		Percentage hazardous		27.23%	36.65%	31.87%	25.37%	1.3.3 Waste and Resource Recycle	55
		Percentage recycled		98.58%	98.53%	95.31%	77.48%	1.3.3 Waste and Resource Recycle	56

Topic	Code	Accounting Metrics	Category	2020 Data	2021 Data	2022 Data	2023 Data	Corresponding chapter	Page
Workforce Health & Safety	EM-IS-320a.1	(1) Total recordable incident rate (TRIR) for (a) full-time employees		1.43	1.81	1.36	1.75	2.4.2 Workplace Safety	80
		(1) Total recordable incident rate (TRIR) for (b) contract employees	Quantitative	0.00	0.00	1.72	0.00	2.4.2 Workplace Safety	80
		(2) Fatality rate for (a) full-time employees		0.0259	0.00	0.00	0.00	2.4.2 Workplace Safety	80
		(2) Fatality rate for (b) contract employees		0.00	0.00	0.00	0.00	2.4.2 Workplace Safety	80
		(3) Near miss frequency rate (NMFR) for (a) full-time employees		2.96	5.91	2.34	3.63	2.4.2 Workplace Safety	80
		(3) Near miss frequency rate (NMFR) for (b) contract employees		0.00	0.00	0.00	0.00	2.4.2 Workplace Safety	80
Supply Chain Management	EM-IS-430a.1	Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues	Discussion and Analysis	-	-	-	-	N/A	

Activity Metric

Code	Activity Metric	Category	2020 Data	2021 Data	2022 Data	2023 Data	Corresponding chapter	Page
EM-IS-000.A	Raw steel production from: (1) basic oxygen furnace processes	Quantitative	N/A	N/A	N/A	N/A		
	Percentage from: (1) basic oxygen furnace processes		N/A	N/A	N/A	N/A		
	Raw steel production from: (2) electric arc furnace processes		494,001 tonnes	514,323 tonnes[note]	562,897 tonnes[note]	671,656 tonnes	4.1 Product and R&D Innovation	119
	Percentage from: (2) electric arc furnace processes		100.00%	100.00%	100.00%	100.00%	4.1 Product and R&D Innovation	119
EM-IS-000.B	Percentage from: (2) electric arc furnace processes	Quantitative	N/A	N/A	N/A	N/A		
EM-IS-000.C	Total iron ore production	Quantitative	N/A	N/A	N/A	N/A		
	The percentage of the revenues of the aforementioned activity metrics and topic boundaries in consolidated revenues	N/A	42.5%	43.0%	43.8%	50.6%		

Note: The 2020 report disclosed the consolidated data of topic boundaries. The SASB industry standards were adopted in 2021 for disclosures at the plants suitable for the standards. Based on the attributes of products, the SASB standard applicable to Jiangyin Walsin (Steel Cable) was changed to the Iron & Steel Producers industry, and the data for 2020-2021 was updated retroactively. In 2023, additional information on CAS was added, and the data of workforce safety of Jiangyin Walsin (Steel Cable) were included in the table above. Errors in the data on Total energy consumed in 2022, total fuel consumption from 2020 to 2022 and raw steel production from electric arc furnace processes from 2021 to 2022 have been corrected.

Sustainability Indicators of Steel Industry Designated by the TWSE

From 2022, the company will voluntarily follow " the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies " to disclosure the Sustainability Indicators of Steel Industry for the company's stainless steel business unit.

Topic Boundaries: Stainless steel business unit[note] (Yenshui Plant, Taichung Plant, Yantai Walsin, Changshu Walsin, Jiangyin Walsin (Specialty Alloy Materials), Walsin Precision, CAS)

Topic	Code	Indicator	Category	2020 Data	2021 Data	2022 Data	2023 Data	Corresponding chapter	Page
Energy Management	1	Total energy consumed	Quantitative	7,246,262.27x10^9 joule	7,680,406.05x10^9 joule	7,515,011.32x10^9 joule	9,713,392.83x10^9 joule	1.2.2 Energy Saving and Carbon Reduction Management	43
		Percentage grid electricity		100.00%	100.00%	100.00%	100.00%	1.2.2 Energy Saving and Carbon Reduction Management	43
		Percentage renewable		0.00%	0.00%	0.00%	0.00%	1.2.2 Energy Saving and Carbon Reduction Management	43

Topic	Code	Indicator	Category	2020 Data	2021 Data	2022 Data	2023 Data	Corresponding chapter	Page
Energy Management	1	Total self-consumption energy[note]	Quantitative	0 x10^9 joule	0 x10^9 joule	0 x10^9 joule	0x10^9 joule	1.2.2 Energy Saving and Carbon Reduction Management	43
Energy Management	2	Total fuel consumed	Quantitative	2,124,972.46x10^9 joule[note]	2,340,843.45x10^9 joule[note]	2,126,664.58x10^9 joule[note]	3,897,277.21x10^9 joule	1.2.2 Energy Saving and Carbon Reduction Management	43
		Percentage coal		0.00%	0.00%	0.00%	0.00%	1.2.2 Energy Saving and Carbon Reduction Management	43
		Percentage natural gas		100.00%	100.00%	100.00%	100.00%	1.2.2 Energy Saving and Carbon Reduction Management	43
		Percentage renewable		0.00%	0.00%	0.00%	0.00%	1.2.2 Energy Saving and Carbon Reduction Management	43
Water Management	3	Total fresh water withdrawn	Quantitative	1,127.69 x10^3 m^3	1,225.63 x10^3 m^3	1,433.31 x10^3 m^3	13,007.50 x10^3 m^3	1.3.2 Water Resources Utilization and Wastewater Treatment	53
		Total water consumption		712.308 x10^3 m^3	740.167 x10^3 m^3	1,016.564 x10^3 m^3	2,933.849 x10^3 m^3	1.3.2 Water Resources Utilization and Wastewater Treatment	53
Waste Management	4	Amount of waste generated	Quantitative	239,235.44 tonnes	195,506.33 tonnes	231,348.28 tonnes	329,114.62 tonnes	1.3.3 Waste and Resource Recycle	55
		Percentage hazardous		27.23%	36.65%	31.87%	25.37%	1.3.3 Waste and Resource Recycle	55
		Percentage recycled		98.58%	98.53%	95.31%	77.48%	1.3.3 Waste and Resource Recycle	56
Workforce Health & Safety	5	Total recordable incident rate (TRIR) for (a) full-time employees	Quantitative	1.43	1.81	1.36	1.75	2.4.2 Workplace Safety	80
		Total recordable incident rate (TRIR) for (b) contract employees		0.00	0.00	1.72	0.00	2.4.2 Workplace Safety	80
		(2) Fatality rate for (a) full-time employees		0.0259	0.00	0.00	0.00	2.4.2 Workplace Safety	80
		(2) Fatality rate for (b) contract employees		0.00	0.00	0.00	0.00	2.4.2 Workplace Safety	80

Topic	Code	Indicator	Category	2020 Data	2021 Data	2022 Data	2023 Data	Corresponding chapter	Page
Workforce Health & Safety	5	(3) Near miss frequency rate (NMFR) for (a) full-time employees	Quantitative	2.96	5.91	2.34	3.63	2.4.2 Workplace Safety	80
		(3) Near miss frequency rate (NMFR) for (b) contract employees		0.00	0.00	0.00	0.00	2.4.2 Workplace Safety	80
		Number of Occupational Accidents for (a) full-time employees		55 persons	72 persons	58 persons	99 persons	2.4.2 Workplace Safety	80
		Number of Occupational Accidents for (b) contract employees		0 persons	0 persons	1 persons	0 persons	2.4.2 Workplace Safety	80
	6	Number of units produced by product category	Quantitative	Stainless steel: 494,001 tonnes steel strand: 73,254 tonnes	Stainless steel: 514,323 tonnes[note] steel strand: 75,911 tonnes	Stainless steel: 562,897 tonnes[note] steel strand: 66,806 tonnes	Stainless steel: 671,656 tonnes steel strand: 41,456 tonnes	4.1 Product and R&D Innovation	119

Note: The total amount of self-generated and self-consumed energy is defined in Taiwan's " Renewable Energy Development Act ", " Implementation Regulations Governing Renewable Energy Certificates " or related sub-laws. In 2023, additional information on CAS was added, and the data of workforce safety of Jiangyin Walsin (Steel Cable) were included in the table above. Errors in the data on total fuel consumption from 2020 to 2022 and raw steel production from electric arc furnace processes from 2021 to 2022 have been corrected.

Appendix 4: Climate-Related Information Required by TWSE

Implementation of Climate-Related Information

#	Item	Execution	Corresponding Chapter	Page
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	Walsin Lihwa's climate change governance and management structure is ultimately overseen by the Board of Directors, who are responsible for overseeing the major climate-related risks and the achievement of relevant targets, and guiding management strategies and key action plans. The Sustainable Development Committee, which is a functional committee responsible for formulating corporate sustainability strategies and visions to promote sustainable development related work and management and regularly reporting to the Board of Directors on the implementation of sustainable development (such as climate change issues), has six members, with an Independent Director acting as the Convener.	1.1 Climate Action (TCFD) 3.1.2 Sustainable Governance	34 98
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	**Climate Risk** •Extreme climate change affects upstream and downstream supply chains and transportation (short- and medium-term risks) Extreme climate change increases transportation costs. Extreme weather has led to delayed product delivery or broken supply chains, resulting in reduced revenues. •The cost of low-carbon technology transition (medium-term risk) Stepping into a low-carbon market and increasing capital expenditure. In order to develop and produce green products that meet customer needs, it is necessary to invest in R&D and increase operating expenses. •Policies and regulations increase the cost of greenhouse gas emissions (medium-term risk) The cost of greenhouse gas emissions will increase, thereby increasing the operating costs and expenses. **Climate Opportunities** •Use of higher-performance production and distribution/sale processes (short-term opportunity) Establish an efficient plant and set up automation equipment to reduce operating costs. Energy efficiency improvement will reduce operating costs. •Entering new markets (short-term opportunities) Enter clean energy technology markets such as wind power, solar energy, and electric vehicle charging cables to increase revenue. •Use of new energy technologies (medium-term opportunity) Use renewable and low-carbon energy to reduce the risk of greenhouse gas emissions, reduce the carbon footprint of products, and improve the competitiveness of products in the market, so as to increase revenue.	1.1 Climate Action (TCFD)	34
3	Describe the financial impact of extreme weather events and transformative actions.	For financial impacts, please refer to Section 1.1 of the 2023 Annual Sustainability Report, Climate Action (TCFD).	1.1 Climate Action (TCFD)	37

#	Item	Execution	Corresponding Chapter	Page
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Company integrates climate change and environmental risks into enterprise risk management, led by the Sustainability Office, continuously monitors the impact on operations, such as international regulations and extreme weather, assesses the financial impact, adjusts the management mechanism, and proposes response strategies to enhance operational resilience. All departments work together to assess the impact of climate risks on business processes, and we aim to improve employees' awareness of climate change through training to identify risks and opportunities. Senior management participates in strategy meetings to make management decisions and response strategies for major risks.	1.1 Climate Action (TCFD) 3.4.1 Risk Management	34 103
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Simulation of physical and transition risks and opportunities in four scenarios: •Nationally Determined Contributions (NDCs): NDCs proposed by the Republic of China •IEA NZE 2050: 1.5° C pathway in the World Energy Outlook (WEO) proposed by the International Energy Agency (IEA) •Global Warming Scenarios SSP 3 - 7.0 in IPCC Sixth Scientific Assessment Report •Global Warming Scenarios SSP 5 - 8.5 in IPCC Sixth Scientific Assessment Report For major financial impacts, please refer to Section 1.1 of the 2023 Annual Sustainability Report, Climate Action (TCFD).	1.1 Climate Action (TCFD)	35
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	**Transition Plan for Climate-Related Risks** •Green products and clean technology Walsin Lihwa is committed to the development of green products and clean technology, and to high-value products and the establishment of a resource-based industrial chain. We will continue to increase the proportion of clean technology products, create shared value with customers, and establish a sustainable business model. •Smart manufacturing In the manufacturing process, we use smart technology to implement green manufacturing and achieve multiple benefits, such as real-time monitoring, efficiency improvement, quality assurance and material conservation, through smart manufacturing, so as to further improve our operational efficiency. •Energy and greenhouse gas management: Implement energy-saving measures to reduce electricity consumption. Plan to use renewable energy to reduce dependence on traditional energy sources. Implement greenhouse gas management processes to effectively monitor and reduce emissions **Climate-Related Management Indicators and Targets** •Disruption of operations due to weather disasters (in days): 0 days •1.5% annual reduction in the use and generation of electricity and carbon from 2022 (Base year: 2021) •Renewable energy and green power will be purchased in 2030.	1.1 Climate Action (TCFD)	34

#	Item	Execution	Corresponding Chapter	Page
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	We continue to develop internal carbon pricing.	N/A	
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	**Activities Related to Climate-Related Targets** •Increase sales of clean technology and green products. •Use smart manufacturing to improve energy efficiency. **Net-Zero Pathways** •Apply scientific methods to set carbon reduction targets and take relevant measures. •Cooperate with external supply chains to promote energy management and carbon management.	1.2 Energy and Greenhouse Gas Management	41
9	Greenhouse gas inventory and assurance status (separately fill out in table below).	Please refer to Tables 1 and 2 below.	1.2 Energy and Greenhouse Gas Management	41

Table 1: Greenhouse Gas Inventory and Assurance Status in 2022 and 2023

		Scope 1 [Note 1]		
2022	Include entities	**Walsin Lihwa Corporation**	**Subsidiaries merger** (Including Dongguan Walsin, Shanghai Walsin, Jiangyin Walsin(Steel Cable), Jiangyin Walsin (Specialty Alloy Materials), Yantai Walsin, Changshu Walsin, Walsin Precision)	Total
	Total emissions (tonnes CO_2e)	142,129.42	56,109.63	198,239.05
	Intensity (tonnes CO_2e / Revenue in NT$ 1 million) [Note 2]	1.44	1.29	1.40
	Assurance body	TÜV RHEINLAND TAIWAN LTD.		
	Description of assurance status	Verified by a third party. Please refer to the official website > Document Center for details.		
2023	Include entities	**Walsin Lihwa Corporation**	**Subsidiaries merger** (Including Shanghai Walsin, Jiangyin Walsin (Specialty Alloy Materials), Yantai Walsin, Changshu Walsin, Walsin Precision)	
	Total emissions (tonnes CO_2e)	135,284.04	68,702.15	203,986.19
	Intensity (tonnes CO_2e / Revenue in NT$ 1 million) [Note 2]	1.66	2.84	1.93
	Assurance body	TÜV RHEINLAND TAIWAN LTD.	Shanghai Walsin: Beijing CQE Testing and Certification Co., Ltd., Jiangyin Walsin (Specialty Alloy Materials): Beijing Ouya Puxin International Certification Center, Yantai Walsin: LAJ International Certification, Changshu Walsin: LAJ International Certification, Walsin Precision: BSI,The British Standards Institution	
	Description of assurance status	Verified by a third party on March 31, 2024. Please refer to the official website > Document Center for details.	Verified by a third party on April 10, 2024. Please refer to the official website (Document Center) for details.	

		Scope 2[Note 1]		
2022	Include entities	**Walsin Lihwa Corporation**	**Subsidiaries merger** (Including Dongguan Walsin, Shanghai Walsin, Jiangyin Walsin(Steel Cable), Jiangyin Walsin (Specialty Alloy Materials), Yantai Walsin, Changshu Walsin, Walsin Precision)	Total
	Total emissions (tonnes CO_2e)	206,358.99	214,969.79	421,328.78
	ntensity (tonnes CO_2e / Revenue in NT$ 1 million) [Note 2]	2.10	4.94	2.97
	Assurance body	TÜV RHEINLAND TAIWAN LTD.		
	Description of assurance status	Verified by a third party. Please refer to the official website > Document Center for details.		
2023	Include entities	**Walsin Lihwa Corporation**	**Subsidiaries merger** (Including Shanghai Walsin, Jiangyin Walsin (Specialty Alloy Materials), Yantai Walsin, Changshu Walsin, Walsin Precision)	
	Total emissions (tonnes CO_2e)	191,192.18	135,432.21	326,624.39
	Intensity (tonnes CO_2e / Revenue in NT$ 1 million) [Note 2]	2.35	5.59	3.09
	Assurance body	TÜV RHEINLAND TAIWAN LTD.	Shanghai Walsin : Beijing CQE Testing and Certification Co., Ltd., Jiangyin Walsin (Specialty Alloy Materials): Beijing Ouya Puxin International Certification Center , Yantai Walsin: LAJ International Certification, Changshu Walsin: LAJ International Certification, Walsin Precision: BSI, The British Standards Institution	
	Description of assurance status	Verified by a third party on March 31, 2024. Please refer to the official website > Document Center for details.	Verified by a third party on April 10, 2024. Please refer to the official website > Document Center for details.	

		Scope 3 [Note 1]		
	Include entities	N/A	N/A	Total
2022	Total emissions (tonnes CO_2e)			
	Intensity (tonnes CO_2e / Revenue in NT$ 1 million) [Note 2]			
	Assurance body			
	Description of assurance status			
2023	Include entities	**Walsin Lihwa Corporation**	**Subsidiaries merger** (Including Shanghai Walsin, Jiangyin Walsin (Specialty Alloy Materials), Yantai Walsin, Changshu Walsin, Walsin Precision)	
	Total emissions (tonnes CO_2e)	2,212,164.16	2,110,482.66	4,322,646.82
	Intensity (tonnes CO_2e / Revenue in NT$ 1 million) [Note 2]	27.20	87.13	40.95
	Assurance body	TÜV RHEINLAND TAIWAN LTD.	Shanghai Walsin: Beijing CQE Testing and Certification Co., Ltd., Jiangyin Walsin (Specialty Alloy Materials): Beijing Ouya Puxin International Certification Center, Yantai Walsin: LAJ International Certification, Changshu Walsin: LAJ International Certification, Walsin Precision: BSI,The British Standards Institution	
	Description of assurance status	Verified by a third party on March 31, 2024. Please refer to the official website > Document Center for details.	Verified by a third party on April 10, 2024. Please refer to the official website > Document Center for details.	

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the company), energy indirect emissions (Scope 2, i.e., emissions resulting from the generation of purchased electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions from activities not classified as energy indirect emissions, but rather from sources owned or controlled by other companies). Scope 3 data disclosure starting from 2023.

Note 2: Dongguan Walsin and Jiangyin Walsin adjusted operations in 2023 and are not included in the calculation.

Table 2: GHG Reduction Targets, Strategies and Specific Action Plans

Reduction targets	**Short term:** Effectively manage energy efficiency, and set a target of continuous power saving and carbon reduction of 1.5% every year from 2022 onwards. (GHG reduction base year: 2021) **Medium to long term:** Achieve the goal of net-zero carbon emissions by 2050 through carbon inventory and energy conservation, energy creation, green energy trading, low-carbon production of new technologies, and externalization of low-carbon technologies.
Strategy	•Introduce a Task Force on Climate-related Financial Disclosure (TCFD) to identify climate-related risks and opportunities by reference to more than two climate change scenarios. •Introduce an energy management system and carbon inventory. •Promote carbon reduction management, including the implementation of lean production management, management and control of reasonable energy consumption per unit of product, management and improvement of equipment energy efficiency, and reduction of energy consumption and carbon emissions in the smelting process.
Specific action plans	•From 2022 onwards, the Task Force on Climate-related Financial Disclosure (TCFD) has been introduced, and climate-related risks and opportunities have been regularly reviewed annually to identify and respond to them. •Introduce an energy management system and carbon inventory: -In 2018, the ISO 50001 energy management system was introduced, and from 2019 to 2020, the ISO 50001 energy management E-system was planned and built by the Company to improve the real-time energy management. In 2023, all of our Taiwan and mainland China plants have passed ISO 50001:2018 certification. -In 2020, our Taiwan plants carried out the inventory of energy consumption and carbon emission per unit of main products, and in 2022, the energy consumption and carbon emission per unit product of the main products of our Taiwan plants (ISO 14067 carbon footprint inventory (B2B)) was obtained. -Since 2014, the carbon inventory and third-party verification of each plant have been initiated, and in 2023, the carbon inventory and third-party verification have been completed in our plants in Taiwan and mainland China. •Every year, we will continue to improve energy efficiency and reduce carbon emissions through project control and administrative management through the implementation of lean production management, management and control of reasonable energy consumption per unit of product, management and improvement of equipment energy efficiency, and reduction of energy consumption and carbon emissions in the smelting process. •Since 2015, each plant has set up an energy conservation and carbon reduction management body, set annual goals and various energy conservation and carbon reduction measures, and held regular meetings to review and build an energy management E system for real-time management. In 2023, a total of 133 carbon reduction plans were proposed in our Taiwan and overseas plants, with a total power saving rate of 1.64% and a total carbon reduction of 10,089.7 tonnes of CO_2e/year. •In 2021, we planned to build 5.5 MWp of renewable energy (solar energy) for self-consumption; 4.9 MWp has been built in 2023, and 1,054,868 kWh of electricity has been connected to the grid.

Appendix 5: Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Information Disclosed	Corresponding Chapter	Page	Remarks
The 2nd paragraph of Article 3: Risk assessment of environmental, social, and corporate governance followed by stipulation of relevant performance indicators to manage the material topics identified	Material Topic Analysis Management of Material Topics	22 23	
The 3rd paragraph of Article 3: Corresponding the content of the disclosure report to the content index of GRI guidelines, and indicating within the report whether each disclosure item has obtained third-party assurance or certification.	Appendix 2, GRI Content Index Appendix 8, Independent Auditor's Limited Assurance Report	135 161	
The 3rd paragraph of Article 4: Enhancing disclosure of sustainability indicators according to industry sectors.	Appendix 3, SASB Index, Steel Industry Sustainability Indicators (TWSE)	142	• The company belongs to the electrical and cable industry sector and is not required to disclose sustainability indicators in accordance with the stock exchange regulations applicable to specific industry sectors. • The company voluntarily adheres to the TWSE's requirement to disclose sustainability indicators for the Steel Industry and follows the SASB Sector Standards for the Electrical & Electronic Equipment and Iron & Steel Producers to disclose relevant indicator information.
Article 4-1: Special section on disclosing climate-related information.	1.1 Climate Action (TCFD) Appendix 4, Climate-Related Information (TWSE)	34 151	

Appendix 6: Support for the United Nations Global Compact

The Ten Principles of the United Nations Global Compact (UNGC) to encourage sustainable business strategy and policy development include human rights, labor, environmental protection, and anti-corruption among others. Walsin Lihwa is not a UNGC signee but always pays attention to global ESG trends to promote relevant initiatives.

Categories	Principles of the United Nations Global Compact	Approaches at Walsin Lihwa	Chapter Response	Page
Human Rights	1.Businesses should support and respect the protection of internationally proclaimed human rights	Walsin Lihwa complies with the local laws and regulations with the Universal Declaration of Human Rights of the United Nations, the United Nations Global Compact, ILO Declaration on Fundamental Principles and Rights at Work, United Nations Guiding Principles on Business and Human Rights, UN Declaration on the Rights of Indigenous Peoples. Guiding principles are as follows: •Healthy and Safe Work Environment Development •Fair and Reasonable Compensation and Work Conditions •Equal Employment Opportunities Without Discrimination •Prohibit Child Labor, Human Trafficking, and Forced Labor •Respect for Freedom of Association and Freedom of Speech •Privacy Protection and Harassment Prevention •Assistance to Employees in Maintaining Physical and Psychological Wellbeing and Balance between Life and Work •Employee Complaint System and Channel •Conduct education and training on human rights protection through meetings with suppliers	2.1 Human Rights and Talent Management Policy 2.3 Talent Motivation and Retention 2.4 Workplace Safety and Health 3.5 Supply Chain Sustainability and Customer Service	63 73 76 110
	2.Make sure that they are not complicit in human rights abuses			
Labor	3.Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining			
	4.The elimination of all forms of forced and compulsory labor			
	5.The effective abolition of child labor			
	6.The elimination of discrimination in respect of employment and occupation			
Environment	7.Businesses should support a precautionary approach to environmental challenges	•Develop high-performance green products, improve product applications, and develop a green ecosystem. •Commit to green manufacture process development, promote waste reduction at source, and strengthen energy efficiency. •Strengthen energy management, promote energy saving and carbon reduction, and decrease waste emissions. •Increase resource utilization efficiency by recovery and reuse to help expedite circular economy development.	1.2 Energy and Greenhouse Gas Management 1.3 Waste Management 4.1 Product and R&D Innovation 4.2 Green Products and Operation	41 50 119 125
	8.Undertake initiatives to promote greater environmental responsibility			
	9.Encourage the development and diffusion of environmentally friendly technologies			
Anti-Corruption	10.Businesses should work against corruption in all its forms, including extortion and bribery	•Implement legal compliance promotion as well as education and training on business integrity to strengthen the awareness of compliance. •Amended and perfected ethical management guidelines and procedures. •Further strengthened business integrity and established anti-bribery management mechanisms. •Identified high-risk unethical business activities at individual plant sites and developed countermeasures accordingly.	3.3 Business Integrity	101

Appendix 7: Involvement in External Organizations

Walsin Lihwa supports the goals of the "Paris Agreement", has clearly set out the net-zero goals and carbon reduction pathways, and anticipates that the company and its supplier partners will jointly promote energy conservation and carbon reduction. In addition to promoting net-zero actions within the company, we have also established a set of management systems for participation in lobbying activities and industry associations related to climate change, whereby the supervisors of each unit first examine the lobbying activities and industry associations, and then participate in the relevant activities and organizations after being evaluated and approved by the Chief Sustainability Officer and the Sustainable Development Department, and regularly examine and monitor whether the positions of the activities and industry associations in which they participate are in line with the "Paris Agreement", and will actively consult and communicate with them if any deviation from the "Paris Agreement" occurs. If any deviation from the Paris Agreement does occur, the Company will actively negotiate and communicate with the relevant organizations, and if no improvement is made, the Company will withdraw from the activity and the industry association.

Through a clear and systematic assessment and management mechanism, the Company ensures that its participation in climate change-related public affairs is consistent with the company's sustainability goals and climate change policies, and communicates the latest net-zero emission trends and joins sustainability-related initiatives. We look forward to helping Taiwan move toward net-zero emissions.

In 2023, Walsin Lihwa participated in a total of 26 external associations, with a total donation amount of NT$4,546,640[Note], and lists the industry associations with the top three total expenditures in each category in the table below. Of the 26 external associations, the climate change-related industry associations take positions that are consistent with the goals of the Paris Agreement and have not engaged in direct lobbying activities this year.

Category	Association Name	Member	Supervisor	Membership Fee/ Amount of Sponsorship Activity (NT$ thousand)
Clean energy development	Taiwan Carbon Capture Storage and Utilization Association	V		105,000
	Taiwan Offshore Wind Industry Association	V		40,000
	Taiwan Wind Energy Association	V		20,000
Industrial economic and trade exchanges	Chinese National Association of Industry and Commerce, Taiwan	V	Standing Supervisor	690,000
	International Wrought Copper Council	V		491,770
	ICF - Cablemakers Federation GmbH	V		396,120
Sustainable development and social promotion	Friends of the Police Association of R.O.C.	V	Standing Supervisor	1,250,000
	Criminal Investigation and Prevention Association, R.O.C	V	V	300,000
	Center for Corporate Sustainability	V	V	280,000

Note:In 2023, CAS Italy participated in a total of eight external organizations, with contributions to be consolidated in 2024 at Walsin Lihwa.

Appendix 8: Independent Auditor's Limited Assurance Report

Deloitte.

勤業眾信
勤業眾信聯合會計師事務所
110016 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110016, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

The Board of Directors and Stockholders
WALSIN LIHWA CORPORATION Ltd.

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report ("the Report") of WALSIN LIHWA CORPORATION Ltd. ("the Company") for the year ended December 31, 2023.

Subject Matter Information and Applicable Criteria

See Appendix 1 for the Company's selected performance indicators ("the Subject Matter Information") and applicable criteria.

Responsibilities of Management

The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI), and the criteria specifically designed by the Company, and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that are free from material misstatement resulted from fraud or error.

Auditors' Responsibilities

Our responsibility is to plan and conduct our limited assurance engagement in accordance with Standard on Assurance Engagement 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on whether the Subject Matter Information (see Appendix 1) is free from material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We based on our professional judgment in the planning and conducting of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information system relevant to the Subject Matter Information to identify areas where a material misstatement of the subject matter information is likely to arise.
- Selecting sample items from the Subject Matter Information and performing procedures such as inspection, re-calculation, re-performance, and analytical procedures to obtain evidence supporting limited assurance.

Inherent Limitations

The Subject Matter Information involved non-financial information, which was subject to more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Standard on Quality Management 1 "Quality Management for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the applicable criteria after the issuance date of this report.

The engagement partner on the limited assurance report is Yin-Chou Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

April 30, 2024

Notice to Readers

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of subject matter information shall prevail.

APPENDIX

SUMMARY OF SUBJECT MATTER INFORMATION

#	Subject Matter Information		Corresponding Section	Applicable Criteria
1.	Stakeholder Identification		Identification of Material Topics	GRI 3-1: 2021 Process to determine material topics
	Step1 Compilation	(Data source: Walsin employees, sustainability report) 11 categories of stakeholders 19 valid questionnaires from management level		
	Step2 Analysis	5 principles of AA1000 stakeholder engagement: Responsibility, Influence, Tension, Diverse Perspectives, Dependency		
	Step3 Validation	6 categories of material stakeholders, unchanged as compared with those in 2022		
	Material Topics Analysis			
	Step1 Understand the organization's sustainability context	Source: International sustainability standards and specifications, International sustainability ratings, the UN's SDGs, industry trends, and relevant sustainability practices in the industry. 22 Sustainability Topics		
	Step2 Identify actual and potential impacts Step3 Assess the significance of the 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 • Assessment of the degree of concern by key stakeholder 28 Valid Questionnaires on Internal Impacts 302 Valid Questionnaires on External Stakeholders		
	Step4 Prioritize the most significant impacts for reporting	Analysis of the senior management's assessment of the impacts related to sustainability issues to develop a matrix of material sustainability topics with positive and negative impacts and use union to compile the top-5 sustainability topics with significant positive and negative impacts while factoring in external stakeholders' degree of concern with sustainability topics to establish annual sustainability topics. 12 Major Sustainability Topics		
	Step5 Material topics	Review of the material topics identified by the Sustainable Development Committee to confirm they meet sustainability contexts and full disclosure requirements to develop policies for management of various material topics.		
2.	• 11 directors' attendance to the courses related to ethical management (anti-corruption) with a 100% course completion rate. • Status of Attendance to Ethical Management and Anti-corruption Education and Training		3.3 Business Integrity	GRI 205-2: 2016 Communication and training about anti-corruption policies and procedures
	Plant	Category / Completion Rate (%)		
	Taiwan	Gender: Male 27; Female 60		
		Position: Managerial 51; Nonmanagerial 29		
		Subtotal 31		
	• New employee onboard training promoted the Ethical Conduct Guidelines for Employees and the Employee Code of Conduct. • Requires all suppliers and contractors to sign the Supplier Management Commitment.			
3.	No bribery, corruption, money laundry, anti-competitive practice, insider trading, conflict of interest, discrimination, harassment, or personal information and privacy leakage or violation of the Company Act in 2023.		3.4.3 Regulatory Compliance	GRI 205-3: 2016 Confirmed incidents of corruption and actions taken

(Continued)

#	Subject Matter Information			Unit	2023	Corresponding Section	Applicable Criteria
4.	Hsinchuang Plant					1.3.2 Water Resources Utilization and Wastewater Treatment	GRI 303-3: 2018 Water withdrawal
	Water withdrawal	Water withdrawal by source	Groundwater	Megaliters	31		
			Third-party water - Tap water		107		
		Total water withdrawal			138		
5.	Water discharge	Water discharge by destination	Surface water		37	1.3.2 Water Resources Utilization and Wastewater Treatment	GRI 303-4: 2018 Water discharge
		Total water discharge			37		
	Water consumption	Total water consumption			101		
6.	According to WRI (water resource institute) Aqueduct Tool assessment, the Xinzhuang Plant have a low to medium risk of water shortages, which is not the area with water stress.					1.3.2 Water Resources Utilization and Wastewater Treatment	GRI 303-5: 2018 Water consumption
7.	In 2023, waste diverted from the Yangmei plant is as follows, the hazardous and non-hazardous wastes were processed away from the plant.					1.3.3 Waste and Resource Recycle	GRI 306-4: 2020 Waste diverted from disposal
	Treatment	Non-hazardous Waste	Hazardous Waste				
	Incineration	75.66	4.92				
	Others	0	4				
	Recovery	88.71	0				
	Total (tons)	164.37	8.92				
8.	New/Resigned Employees in Taiwan Area in 2023					2.1.3 Human Resources Policies and Human Resources Structure	GRI 401-1: 2016 New employee hires and employee turnover
	Category/Number of Individuals		New Employees: Number of Individuals	New Employees: Proportion of Employees in Category	Resigned Employees: Number of Individuals	Resigned Employees: Proportion of Employees in Category	
	By gender	Female	71	17.4%	51	12.5%	
		Male	354	13.7%	353	13.6%	
	By age	Over 51	9	2.0%	51	11.5%	
		41-50	37	4.8%	65	8.2%	
		31-40	148	13.4%	137	12.4%	
		Under 30	231	35.3%	151	23.1%	
9.	Number of Unpaid Parental Leave Applicants in Taiwan Area		Gender: Male	Gender: Female	Total	2.3 Talent Motivation and Retention	GRI 401-3: 2016 Parental leave
	Number of employees eligible for unpaid parental leave in 2023(Note)		168	19	187		
	Number of unpaid parental leave applicants in 2023		5	4	9		
	Number of employees expected to return from unpaid parental leave in 2023 (A)		5	4	9		
	Number of employees that actually returned from unpaid parental leave in 2023 (B)		2	4	6		
	Unpaid parental leave reinstatement rate (B/A) x100%		40%	100%	66.7%		
	Number of employees that returned from unpaid parental leave in 2022 (C)		2	1	3		
	Number of employees that returned from unpaid parental leave in 2022 had continued to serve a full year in 2023 (D)		1	0	1		
	Unpaid parental leave retention rate (D/C)x100%		50.0%	0%	33.3%		
	Note: Employees who applied for maternity leave or paternity leave in 2021/01/01-2023/12/31 and were still at the company on 2023/12/31.						

(Continued)

#	Subject Matter Information				Corresponding Section	Applicable Criteria
10.	Yangmei Plant		2023		2.4.2 Workplace Safety	GRI 403-9: 2018 Work-related injuries
			Employees	Non-employee		
	Total hours worked		240,811	421,724		
	Number of Injuries	Deaths	-	-		
		Severe Occupational Injuries	-	-		
		Recordable Occupational Injuries	-	-		
	Percentages	Deaths	0.00%	0.00%		
		Severe Occupational Injuries	0.00%	0.00%		
		Recordable Occupational Injuries	0.00%	0.00%		
	Hsinchuang Plant		2023			
			Employees	Non-employee		
	Total hours worked		1,389,779	76,150		
	Number of Injuries	Deaths	-	-		
		Severe Occupational Injuries	-	-		
		Recordable Occupational Injuries	-	-		
	Percentages	Deaths	0.00%	0.00%		
		Severe Occupational Injuries	0.00%	0.00%		
		Recordable Occupational Injuries	0.00%	0.00%		
11.	Average hours of training in Taiwan area in 2023				2.2 Talent Cultivation and Empowerment	GRI 404-1: 2016 Average hours of training per year per employee
	By gender		Average Training Hours			
	Male (HRs)		73.06			
	Female (HRs)		47.03			
	According to rank		Average Training Hours			
	Director level or above (HRs)		13.73			
	Assistant manager & manager level (HRs)		29.25			
	Supervisors below the level of section chief (including section chief) (HRs)		183.31			
	General Staff (HRs)		64.27			
12.	Hsinchuang Plant	Unit	2023		1.2.2 Energy Saving and Carbon Reduction Management	SASB RT-EE-130a.1 (1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable
	Total energy consumed	GJ	276,372.04			
	Percentage grid electricity	%	88.96			
	Percentage renewable	%	-			
13.	Yantai Plant 1 (Steel Plant)	Unit	2023		1.2.2 Energy Saving and Carbon Reduction Management	SASB EM-IS-130a.1 (1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable
	Total energy consumed	GJ	1,365,406			
	Percentage grid electricity	%	100			
	Percentage renewable	%	-			

(Continued)

#	Subject Matter Information		Corresponding Section	Applicable Criteria
14.	2023 Yantai Plant 1 (Steel Plant)		2.4.2 Workplace Safety	SASB EM-IS 320a.1 (1)Total recordable incident rate (TRIR) for (a) full-time employees (b) contract employees (2) Fatality rate for (a) full-time employees (b) contract employees (3) Near miss frequency rate (NMFR) for (a) full-time employees (b) contract employees
	Total recordable incident rate (TRIR) for full-time employees	0.10		
	Total recordable incident rate (TRIR) for (b) contract employees	0.00		
	Fatality rate for full-time employees	0.00		
	Fatality rate for contract employees	0.00		
	Near miss frequency rate (NMFR) for full-time employees	0.00		
	Near miss frequency rate (NMFR) for contract employees	0.00		
15.	2023 Yangmei Plant		1.3.3 Waste and Resource Recycle	SASB RT-EE-150a.1 Amount of hazardous waste generated and Percentage of hazardous waste recycled
	Amount of hazardous waste generated (tones)	8.29		
	Percentage of hazardous waste recycled (%)	0%		
16.		2023	4.2.3 Status on Raw Material Use	Designated indicator 1 Use of reusable raw materials percentage Based on GRI 301-2 Recycled input materials used
		Hsinchuang Plant / Yangmei Plant		
	Total amount of reusable raw materials (tones)	34,423 / 105,419		
	Total raw materials used in production (tones)	43,167 / 105,419		
	Percentage of reusable raw materials (%)	79.74% / 100.00%		
17.		2023	1.3.1 Air Pollution Control and Amount of Pollutant Emission	Designated indicator 2 Emissions of volatile organic compounds Based on GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
		Hsinchuang Plant		
	Emissions of volatile organic compounds (tones)	6.135		

(Continued)

#	Subject Matter Information			Corresponding Section	Applicable Criteria
18.	Taiwan		2023	3.5 Supply Chain Sustainability and Customer Service	Designated indicator 3 The total number of suppliers in 2023, categorized by whether they are key suppliers or not. Definition of Key Supplier: Key suppliers are those selected independently by Walsin Lihua based on criteria that may include importance, influence, transaction volume, etc.
	The number of suppliers	Total suppliers	2,161		
		Key suppliers	80		
	Proportion of green procurement expenditure	The proportion of procurement expenditure from key suppliers	74.50%		
		Proportion of green procurement expenditure	13.72%		
	ESG risk assessment of key suppliers.	The number of high-risk suppliers	11		
		The number of ESG risk assessment	80		
		The proportion of ESG risk assessment	100.00%		
		The proportion of agreed improvement measures	0.00%		
		The number of terminated relationships	0		
		The proportion of signed management commitment agreements	90.00%		
19.				3.5 Supply Chain Sustainability and Customer Service	Designated indicator 4 Total number of suppliers and the percentage of procurement expenditure from key suppliers out of the total number of suppliers in 2023. Definition of Total Suppliers: Suppliers documented according to the procurement process, payments, and management, with records of goods received in the current year, excluding duplicate suppliers within affiliated entities and different factory locations.
20.				3.5 Supply Chain Sustainability and Customer Service	Designated indicator 5 The total number of suppliers who underwent ESG risk assessment in 2023, and the percentage of key suppliers who underwent ESG risk assessment ESG Risk Assessment: Supplier Corporate Social Responsibility Self-Assessment Questionnaire

(Continued)

#	Subject Matter Information	Corresponding Section	Applicable Criteria
21.		3.5 Supply Chain Sustainability and Customer Service	Designated indicator 6 In 2023, the total number of identified suppliers with significant actual or potential ESG negative impacts, and the percentage of those suppliers who have agreed on improvement measures, along with the total number of terminated relationships among these suppliers.
22.		3.5 Supply Chain Sustainability and Customer Service	Designated indicator 7 The proportion of key suppliers who signed management commitment agreements in 2023.
23.		3.5 Supply Chain Sustainability and Customer Service	Designated indicator 8 The proportion of green procurement in 2023. Green Procurement: Products bearing the environmental label promoted by the Ministry of Environmental since 1992, and self-defined waste recycling measures.

(Continued)

#	Subject Matter Information	Corresponding Section	Applicable Criteria
24.	Gender Remuneration Gap - Overall Average Difference in average salary between males and females (Taiwan): 30.6% Difference in median salary between males and females (Taiwan): 28.0% Remuneration differences - by management level Entry-Level Management (Taiwan): 1.8% Middle Management (Taiwan): 12.8% Senior Management (Taiwan): 21.3% Non-managerial positions (Taiwan): 24.1%	2.3 Talent Motivation and Retention	Designated indicator 9 The gender remuneration gap in Taiwan in 2023, categorized by executive and managerial levels. The entry-level management refers to management positions from subsection (inclusive) to section level, the middle management refers to department level management positions, and the senior management refers to management positions at division level (inclusive) and above. Salary composition: Basic salary (Extrapolating the whole year from the month of December 2023 - estimated value) Monthly bonus (Divide the number of disbursements in the current year by the actual number of months and extrapolate back to the full year - estimated value) Bonuses (Year-end, performance, compensation-actual value) Employee remuneration (Excluding absence from office in December - actual value

(Concluded)

Attachment: Verified Content

GRI Standards/ SASB Standards	Descriptions of Indicators	Boundary	Descriptions	Corresponding Section
GRI 3-1：2021	Process to determine material topics	2023 Sustainability Report	•Stakeholder identification methods, processes, questionnaire data collection and statistical analysis 11 Categories of Stakeholders 19 Valid Questionnaires from Management Level •Material topics analysis methods, processes, questionnaire data collection, statistical analysis and decision-making 22 Sustainability Topics 28 Valid Questionnaires on Internal Impacts 302 Valid Questionnaires on External Stakeholders Results of material topics identification by the Sustainable Development Committee	Identification of Material Topics
GRI 205-2：2016	Communication and training about anti-corruption policies and procedures	Taiwan Area	•11 directors' attendance to the courses related to ethical management (anti-corruption) with a 100% course completion rate •Status of Attendance to Ethical Management and Anti-corruption Education and Training •New employee onboard training promoted the Ethical Conduct Guidelines for Employees and the Employee Code of Conduct. •Requires all suppliers and contractors to sign the Supplier Management Commitment.	3.3 Business Integrity
GRI 205-3：2016	Confirmed incidents of corruption and actions taken	Taiwan Area	No bribery, corruption, money laundry, anti-competitive practice, insider trading, conflict of interest, discrimination, harassment, or personal information and privacy leakage or violation of the Company Act in 2023.	3.4.3 Regulatory Compliance

Plant	Category		completion rate (%)
Taiwan	Gender	Male	27
		Female	60
	Position	Managerial	51
		Nonmanagerial	29
	Subtotal		31

<table>
<tr><th>GRI Standards/ SASB Standards</th><th>Descriptions of Indicators</th><th>Boundary</th><th>Descriptions</th><th>Corresponding Section</th></tr>
<tr><td>GRI 303-3 : 2018</td><td>Water withdrawal</td><td rowspan="3">Hsinchuang Plant</td><td rowspan="3"><table>
<tr><th colspan="3">Hsinchuang Plant</th><th>Unit</th><th>2023</th></tr>
<tr><td rowspan="3">Water withdrawal</td><td rowspan="2">Water withdrawal by source</td><td>Groundwater</td><td rowspan="4">megaliters</td><td>31</td></tr>
<tr><td>Third-party water -Tap water</td><td>107</td></tr>
<tr><td colspan="2">Total water withdrawal</td><td>138</td></tr>
<tr><td rowspan="2">Water discharge</td><td rowspan="2">Water discharge by destination</td><td>Surface water</td><td>37</td></tr>
<tr><td colspan="2">Total water discharge</td><td>37</td></tr>
<tr><td>Water consumption</td><td colspan="2">Total water consumption</td><td>101</td></tr>
</table></td><td>1.3.2 Water Resources Utilization and Wastewater Treatment</td></tr>
<tr><td>GRI 303-4 : 2018</td><td>Water discharge</td><td>1.3.2 Water Resources Utilization and Wastewater Treatment</td></tr>
<tr><td>GRI 303-5 : 2018</td><td>Water consumption</td><td>According to WRI(water resource institute) Aqueduct Tool assessment, the Xinzhuang Plant have a low to medium risk of water shortages, which is not the area with water stress.</td><td>1.3.2 Water Resources Utilization and Wastewater Treatment</td></tr>
<tr><td>GRI 306-4 : 2020</td><td>Waste diverted from disposal</td><td>Yangmei Plant</td><td>In 2023, waste diverted from the Yangmei plant is as follows, the hazardous and non-hazardous wastes were processed away from the plant.<table>
<tr><th>Treatment</th><th>Non-hazardous Waste</th><th>Hazardous waste</th></tr>
<tr><td>Incineration</td><td>75.66</td><td>4.92</td></tr>
<tr><td>Others</td><td>0</td><td>4</td></tr>
<tr><td>Recovery</td><td>88.71</td><td>0</td></tr>
<tr><td>Total (tonnes)</td><td>164.37</td><td>8.92</td></tr>
</table></td><td>1.3.3 Waste and Resource Recycle</td></tr>
<tr><td>GRI 401-1 : 2016</td><td>New employee hires and employee turnover</td><td>Taiwan Area</td><td><table>
<tr><th colspan="6">New/Resigned employees in Taiwan area in 2023</th></tr>
<tr><th colspan="2" rowspan="2">Category Number of individuals</th><th colspan="2">New employees</th><th colspan="2">Resigned employees</th></tr>
<tr><th>Number of individuals</th><th>Proportion of employees in category</th><th>Number of individuals</th><th>Proportion of employees in category</th></tr>
<tr><td rowspan="2">By gender</td><td>Female</td><td>71</td><td>17.4%</td><td>51</td><td>12.5%</td></tr>
<tr><td>Male</td><td>354</td><td>13.7%</td><td>353</td><td>13.6%</td></tr>
<tr><td rowspan="4">By age</td><td>Over 51</td><td>9</td><td>2.0%</td><td>51</td><td>11.5%</td></tr>
<tr><td>41-50</td><td>37</td><td>4.8%</td><td>65</td><td>8.2%</td></tr>
<tr><td>31-40</td><td>148</td><td>13.4%</td><td>137</td><td>12.4%</td></tr>
<tr><td>Under 30</td><td>231</td><td>35.3%</td><td>151</td><td>23.1%</td></tr>
</table></td><td>2.1.3 Human Resources Policies and Human Resources Structure</td></tr>
</table>

<table>
<tr><th>GRI Standards/ SASB Standards</th><th>Descriptions of Indicators</th><th>Boundary</th><th>Descriptions</th><th>Corresponding Section</th></tr>
<tr><td>GRI 401-3：2016</td><td>Parental leave</td><td>Taiwan Area</td><td>
<table>
<tr><th rowspan="2">Number of unpaid parental leave applicants in Taiwan area</th><th colspan="2">Gender</th><th rowspan="2">Total</th></tr>
<tr><th>Male</th><th>Female</th></tr>
<tr><td>Number of employees eligible for unpaid parental leave in 2023(Note)</td><td>168</td><td>19</td><td>187</td></tr>
<tr><td>Number of unpaid parental leave applicants in 2023</td><td>5</td><td>4</td><td>9</td></tr>
<tr><td>Number of employees expected to return from unpaid parental leave in 2023 (A)</td><td>5</td><td>4</td><td>9</td></tr>
<tr><td>Number of employees that actually returned from unpaid parental leave in 2023 (B)</td><td>2</td><td>4</td><td>6</td></tr>
<tr><td>Unpaid parental leave reinstatement rate (B/A) x100%</td><td>40%</td><td>100%</td><td>66.7%</td></tr>
<tr><td>Number of employees that returned from unpaid parental leave in 2022 (C)</td><td>2</td><td>1</td><td>3</td></tr>
<tr><td>Number of employees that returned from unpaid parental leave in 2022 had continued to serve a full year in 2023 (D)</td><td>1</td><td>0</td><td>1</td></tr>
<tr><td>Unpaid parental leave retention rate (D/C)x100%</td><td>50.0%</td><td>0%</td><td>33.3%</td></tr>
</table>
Note: Employees who applied for maternity leave or paternity leave in 2021/01/01-2023/12/31 and were still at the company on 2023/12/31.
</td><td>2.3 Talent Motivation and Retention</td></tr>
<tr><td>GRI 403-9：2018</td><td>Work-related injuries</td><td>Yangmei Plant, Hsinchuang Plant</td><td>
<table>
<tr><th colspan="2" rowspan="2">Yangmei Plant</th><th colspan="2">2023</th></tr>
<tr><th>Employees</th><th>Non-Employee</th></tr>
<tr><td colspan="2">Total hours worked</td><td>240,811</td><td>421,724</td></tr>
<tr><td rowspan="3">Number of Injuries</td><td>Deaths</td><td>-</td><td>-</td></tr>
<tr><td>Severe Occupational Injuries</td><td>-</td><td>-</td></tr>
<tr><td>Recordable Occupational Injuries</td><td>-</td><td>-</td></tr>
<tr><td rowspan="3">Percentages</td><td>Deaths</td><td>0.00%</td><td>0.00%</td></tr>
<tr><td>Severe Occupational Injuries</td><td>0.00%</td><td>0.00%</td></tr>
<tr><td>Recordable Occupational Injuries</td><td>0.00%</td><td>0.00%</td></tr>
<tr><th colspan="2" rowspan="2">Hsinchuang plant</th><th colspan="2">2023</th></tr>
<tr><th>Employees</th><th>Non-Employee</th></tr>
<tr><td colspan="2">Total hours worked</td><td>1,389,779</td><td>76,150</td></tr>
<tr><td rowspan="3">Number of Injuries</td><td>Deaths</td><td>-</td><td>-</td></tr>
<tr><td>Severe Occupational Injuries</td><td>-</td><td>-</td></tr>
<tr><td>Recordable Occupational Injuries</td><td>-</td><td>-</td></tr>
<tr><td rowspan="3">Percentages</td><td>Deaths</td><td>0.00%</td><td>0.00%</td></tr>
<tr><td>Severe Occupational Injuries</td><td>0.00%</td><td>0.00%</td></tr>
<tr><td>Recordable Occupational Injuries</td><td>0.00%</td><td>0.00%</td></tr>
</table>
</td><td>2.4.2 Workplace Safety</td></tr>
</table>

<table>
<tr><th>GRI Standards/
SASB Standards</th><th>Descriptions of Indicators</th><th>Boundary</th><th>Descriptions</th><th>Corresponding Section</th></tr>
<tr><td>GRI 404-1 :
2016</td><td>Average hours of training per year
per employee</td><td>Taiwan Area</td><td>Average hours of training in Taiwan in 2023
<table><tr><th>By gender</th><th>Average Training Hours</th></tr><tr><td>Male (HRs)</td><td>73.06</td></tr><tr><td>Female (HRs)</td><td>47.03</td></tr><tr><th>According to rank</th><th>Average Training Hours</th></tr><tr><td>Director level or above (HRs)</td><td>13.73</td></tr><tr><td>Assistant manager & manager level (HRs)</td><td>29.25</td></tr><tr><td>Supervisors below the level of section chief (including section chief) (HRs)</td><td>183.31</td></tr><tr><td>General Staff (HRs)</td><td>64.27</td></tr></table></td><td>2.2 Talent Cultivation and Empowerment</td></tr>
<tr><td>SASB
RT-EE-130a.1</td><td>(1) Total energy consumed
(2) Percentage grid electricity
(3) Percentage renewable</td><td>Hsinchuang Plant</td><td><table><tr><th>Hsinchuang Plant</th><th>Unit</th><th>2023</th></tr><tr><td>Total energy consumed</td><td>GJ</td><td>276,372.04</td></tr><tr><td>Percentage grid electricity</td><td>%</td><td>88.96</td></tr><tr><td>Percentage renewable</td><td>%</td><td>-</td></tr></table></td><td>1.2.2 Energy Saving and Carbon Reduction Management</td></tr>
<tr><td>SASB
EM-IS-130a.1</td><td>(1) Total energy consumed
(2) Percentage grid electricity
(3) Percentage renewable</td><td>Yantai Walsin Plant 1</td><td><table><tr><th>Yantai Plant 1 (steel plant)</th><th>Unit</th><th>2023</th></tr><tr><td>Total energy consumed</td><td>GJ</td><td>1,365,406</td></tr><tr><td>Percentage grid electricity</td><td>%</td><td>100</td></tr><tr><td>Percentage renewable</td><td>%</td><td>-</td></tr></table></td><td>1.2.2 Energy Saving and Carbon Reduction Management</td></tr>
<tr><td>SASB
EM-IS 320a.1</td><td>(1) Total recordable incident rate (TRIR) for
(a) full-time employees
(b) contract employees
(2) Fatality rate for
(a) full-time employees
(b) contract employees
(3) Near miss frequency rate (NMFR) for
(a) full-time employees
(b) contract employees</td><td>Yantai Walsin Plant 1</td><td><table><tr><th colspan="2">2023 Yantai Plant 1 (steel plant)</th></tr><tr><td>Total recordable incident rate (TRIR) for full-time employees</td><td>0.10</td></tr><tr><td>Total recordable incident rate (TRIR) for (b) contract employees</td><td>0.00</td></tr><tr><td>Fatality rate for full-time employees</td><td>0.00</td></tr><tr><td>Fatality rate for contract employees</td><td>0.00</td></tr><tr><td>Near miss frequency rate (NMFR) for full-time employees</td><td>0.00</td></tr><tr><td>Near miss frequency rate (NMFR) for contract employees</td><td>0.00</td></tr></table></td><td>2.4.2 Workplace Safety</td></tr>
</table>

GRI Standards/ SASB Standards	Descriptions of Indicators	Boundary	Descriptions	Corresponding Section
SASB RT-EE-150a.1	Amount of hazardous waste generated and Percentage of hazardous waste recycled	Yangmei Plant	2023 Yangmei Plant Amount of hazardous waste generated (tonnes): 8.29 Percentage of hazardous waste recycled (%): 0%	1.3.3 Waste and Resource Recycle
Designated indicator 1	Use of reusable raw materials percentage Based on GRI 301-2 Recycled input materials used	Hsinchuang Plant, Yangmei Plant	2023 Hsinchuang Plant / Yangmei Plant Total amount of reusable raw materials (tonnes): 34,423 / 105,419 Total raw materials used in production (tonnes): 43,167 / 105,419 Percentage of reusable raw materials (%): 79.74% / 100.00%	4.2.3 Status on Raw Material Use
Designated indicator 2	Emissions of volatile organic compounds Based on GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Hsinchuang Plant	2023 Hsinchuang Plant Emissions of volatile organic compounds (tonnes): 6.135	1.3.1 Air Pollution Control and Amount of Pollutant Emission
Designated indicator 3	The total number of suppliers in 2023, categorized by whether they are key suppliers or not. Definition of Key Supplier: Key suppliers are those selected independently by Walsin Lihua based on criteria that may include importance, influence, transaction volume, etc.	Taiwan Area	Taiwan 2023 The number of suppliers: Total suppliers 2,161; Key suppliers 80 Proportion of green procurement expenditure: The proportion of procurement expenditure from key suppliers 74.50%; Proportion of green procurement expenditure 13.72% ESG risk assessment of key suppliers.: The number of high-risk suppliers 11; The number of ESG risk assessment 80; The proportion of ESG risk assessment 100.00%; The proportion of agreed improvement measures 0.00%; The number of terminated relationships 0; The proportion of signed management commitment agreements 90.00%	3.5 Supply Chain Sustainability and Customer Service

GRI Standards/ SASB Standards	Descriptions of Indicators	Boundary	Descriptions	Corresponding Section
Designated indicator 4	Total number of suppliers and the percentage of procurement expenditure from key suppliers out of the total number of suppliers in 2023. Definition of Total Suppliers: Suppliers documented according to the procurement process, payments, and management, with records of goods received in the current year, excluding duplicate suppliers within affiliated entities and different factory locations.	Taiwan Area		3.5 Supply Chain Sustainability and Customer Service
Designated indicator 5	The total number of suppliers who underwent ESG risk assessment in 2023, and the percentage of key suppliers who underwent ESG risk assessment. ESG Risk Assessment: Supplier Corporate Social Responsibility Self-Assessment Questionnaire.			
Designated indicator 6	In 2023, the total number of identified suppliers with significant actual or potential ESG negative impacts, and the percentage of those suppliers who have agreed on improvement measures, along with the total number of terminated relationships among these suppliers.			
Designated indicator 7	The proportion of key suppliers who signed management commitment agreements in 2023.			
Designated indicator 8	The proportion of green procurement in 2023. Green Procurement: Products bearing the environmental label promoted by the Ministry of Environmental since 1992, and self-defined waste recycling measures.			

	Taiwan	2023
The number of suppliers	Total suppliers	2,161
	Key suppliers	80
Proportion of green procurement expenditure	The proportion of procurement expenditure from key suppliers	74.50%
	Proportion of green procurement expenditure	13.72%
ESG risk assessment of key suppliers.	The number of high-risk suppliers	11
	The number of ESG risk assessment	80
	The proportion of ESG risk assessment	100.00%
	The proportion of agreed improvement measures	0.00%
	The number of terminated relationships	0
	The proportion of signed management commitment agreements	90.00%

<table>
<tr><th>GRI Standards/ SASB Standards</th><th>Descriptions of Indicators</th><th>Boundary</th><th>Descriptions</th><th>Corresponding Section</th></tr>
<tr><td>Designated indicator 9</td><td>The gender remuneration gap in Taiwan in 2023, categorized by executive and managerial levels.
The entry-level management refers to management positions from subsection (inclusive) to section level, the middle management refers to department level management positions, and the senior management refers to management positions at division level (inclusive) and above
Salary composition:
Basic salary (Extrapolating the whole year from the month of December 2023 - estimated value)
Monthly bonus (Divide the number of disbursements in the current year by the actual number of months and extrapolate back to the full year - estimated value)
Bonuses (Year-end, performance, compensation-actual value)
Employee remuneration (Excluding absence from office in December - actual value</td><td>Taiwan Area</td><td>Gender Remuneration Gap - Overall Average
<table><tr><th></th><th>Taiwan</th></tr><tr><td>Difference in average salary between males and females</td><td>30.6%</td></tr><tr><td>Difference in median salary between males and females</td><td>28.0%</td></tr></table>
Remuneration differences - by management level
<table><tr><th></th><th>Taiwan</th></tr><tr><td>Entry-Level Management</td><td>1.8%</td></tr><tr><td>Middle Management</td><td>12.8%</td></tr><tr><td>Senior Management</td><td>21.3%</td></tr><tr><td>Non-managerial positions</td><td>24.1%</td></tr></table></td><td>2.3 Talent Motivation and Retention</td></tr>
</table>

WALSIN LIHWA

www.walsin.com
886-2-8726-2211
25F, No.1, Songzhi Rd., Taipei 11047, Taiwan