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→ Message from Chairman



Dear friends,

The global geopolitical situation has rapidly changed since 2024, which has caused significant impacts on the international order, trade, economics, industry environments, and energy policies. Enterprises are now experiencing opportunities and challenges they have never faced before. In this era of global uncertainties, Walsin Lihwa acknowledges that the developmental trends of technology applications artificial intelligence will continue to be significant, and the challenges posed by climate change remain serious. As a result, Walsin Lihwa has made significant investments in smart manufacturing and green energy in recent years, carefully responded to risks and seized opportunities, and continued to incorporate ESG concepts into day-to-day operations and core strategies.



Creating High-Value Synergy and Building a Sustainable Value Chain

Walsin Lihwa has made a series of major investments since 2022, including Italian steel company Cogne Acciai Speciali and British aerospace material manufacturer SMP. The acquisitions of the Italian steel recycling plant Inox and the German stainless steel seamless pipes and tubes manufacturer DMV were completed in 2024, enabling Walsin Lihwa to expand into Europe and enter the international steel supply chain for high-end and key industries in Europe. By integrating our business advantages in Europe and Asia and sharing our knowledge of green steel and circular economy trends, we can fully leverage our vertical integration synergies to meet world-class ESG standards and strengthen the Company's competitiveness in Europe and global markets.

Walsin Lihwa, together with its value chain partners, launched a sustainable transformation to improve the resilience and overall competitiveness of the supply chain and to form a green low carbon alliance with suppliers. This way, Company would gradually implement carbon disclosure and management goals with all suppliers. The 2024 Supplier Partner Exchange Meeting focused on topics including "Sustainable Development," "Green and Sustainable Carbon Reduction," and "Digital AI Applications and Business Operations Upgrades." We continued to optimize the supply chain structure and jointly explored new modes of collaboration with our suppliers. The establishment of the electronic procurement system and the selection of key suppliers were carried out simultaneously, showcasing Walsin Lihwa's commitment to business integrity and successful implementation of the green supply chain.

Promoting Energy Transformation through Innovative Technologies

Technological development is a key driving force in corporate transformation. Market competition is being redefined through technological innovations, from automated production to Al applications. Walsin Lihwa has established a foothold in high-end advanced industries, promoting digital transformation by utilizing digital technologies to enhance productivity and competitiveness, expanding the applications of smart manufacturing, adjusting the Company's business models, and creating higher corporate value.

In addition, climate change is an important issue that we must tackle. Walsin Lihwa complies with the spirit of the TCFD guidelines and considers climate risks and opportunities in its operations and decision-making process. The Company also carries out important tasks related to "low-carbon operations" and "renewable energy opportunities." Other than actively deploying solar power generation facilities, the Yangmei Smart Manufacturing Plant also adopted the concept of Industry 4.0 in its factory design and introduced advanced automation equipment and systems in 2023. These measures





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improved energy and resource efficiency at each stage of the production process, brought sustainability benefits from carbon reduction, mitigated the impact of carbon fees, and helped the Company maintain cost competitiveness. We also adapted to energy transition and supported the government's policies on green energy and domestic manufacturing. By leveraging our nearly 60 years of experience in insulated wire and cable manufacturing, we collaborated with NKT from Denmark to build the only offshore wind power submarine cable manufacturing plant in Taiwan, further contributing to the goal of net zero emissions.

Promotion of Internal and External Social Integration through a People-oriented Approach

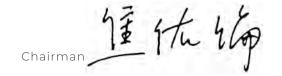
People are Walsin Lihwa's most important asset. They are crucial for building a global industry chain and establishing ourselves on the international stage. The Company adheres to the fundamental principles of "Respect for Professional Expertise, Conduct Technical Exchanges, and Pursuit of Cultural Integration" to cultivate international and young talent and create a platform for interdisciplinary learning challenges. These measures enable every employee to fully exhibit their skills and values. We continuously promote five major indicators of talent sustainability: diversity and inclusion, rewards and incentives, physical and mental health, cultivation and development, and communication and experience. By strengthening the sustainable development and competitiveness of colleagues at the Company, we create a happy workplace that enables self-realization, friendliness, and harmony. Walsin Lihwa won the "HR Asia Best Companies to Work for in Asia" in 2024 from HR Asia under the theme "The Definitive Z Choice".

Walsin Lihwa has also spared no effort in applying the Company's core business to exert influence. The "Light Up the Corners of Taiwan" project builds wire and cable connections to link together educational resources from all corners of society, so that students in remote areas can have opportunities to excel. We promoted education in remote areas in 2024, focusing on the "New Immigrant Video Empowerment Course" for second-generation immigrants, which not only adds value to their academic careers but also enhances society's understanding on issues of cultural diversity. In terms of ecological stewardship, we support eco-friendly farming and have helped cultivate organic kiwis native to Taiwan. We also organize environmental courses and activities on topics such as Employee Vegan Day, organic markets, and family outings to experience harvesting rice. Furthermore, we continue to support local Taiwanese arts and cultural groups and provide funding to medical institutions to upgrade their testing equipment. Our goals are to promote social integration and bring positive impacts to society.

Adhering to Ethical Management and Pursuing a Sustainable Future

Corporate governance and business integrity are the foundation of the Company's sustainable development. Walsin Lihwa's management teams are composed of diverse professional backgrounds, and they continue to enhance their knowledge and comprehension of sustainable development and global political and economic industry trends. We have achieved significant results over the years. We received the TCSA Top 100 Corporate Sustainability Award, and also ranked in the top 5% of the Corporate Governance Evaluation, being recognized with the "Outstanding Company Award." Furthermore, we have also been selected as a constituent stock of the "FTSE4Good TIP Taiwan ESG Index" and the "TWSE Corporate Governance 100 Index." These achievements fully demonstrate the recognition Walsin Lihwa has received from society, the market, and professional institutions for our corporate governance and sustainability accomplishments.

The Company's business covers multiple industries and is spread across Europe, Asia, and the Americas. In response to the Company's rapid expansion, we have further promoted synergy between our high-value strategies in order to drive greater added value from digital technologies. We added the "Corporate Strategy and Supply Chain Management Team" and the "Digital Intelligent Development Team" into the Company's organizational framework in 2024, which in turn will help promote the Company's core strategies, strengthen supply chain resilience, develop industry partnerships, and turn the Company's digital capabilities and smart development into tangible results. These efforts not only enhance our operational performance and market competitiveness, but also reinforce the fundamentals of our corporate sustainable development. Walsin Lihwa will continue to push for innovation and excellence, and will collaborate with global partners to create a more resilient and sustainable future.





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→ Message from President and Chief Sustainability Officer



Dear friends,

The modern economy, society, and environment are still undergoing constant changes. To build a foundation of strong management and consistently grow and remain competitive, in 2024 Walsin Lihwa continued to implement the Company's strategies for its sustainable development blueprint in order to deepen its realization of environmental, social, and governance practices. At the same time, the Company has continued to advocate for digitalization and high-value added global transformation strategies, take advantage of opportunities and manage risks, and commit to realizing sustainable developmental goals while creating value. These measures ensure Walsin Lihwa will uphold the responsibilities of a corporate social citizen.

Environmental Sustainability

The risks and opportunities associated with climate transformation have significant impacts on the long-term sustainable operation of the Company. To achieve Walsin Lihwa's net-zero goal, the Company has established a group-wide carbon inventory plan, in which carbon management indicators have been devised and emission hotspots and product emissions per unit are comprehensively tracked. Carbon reduction measures are also implemented at each operation location, such as replacing old equipment with high-efficiency energy equipment, recycling waste materials, and installing renewable energy equipment. In response to the impending carbon fees, Walsin Lihwa introduced the activity-based costing (ABC) cost management methodology in 2024 to assess internal operating procedures and implement the integrated management of resources. The Company has also promoted self-reduction plans to actively improve energy management and carbon reduction efficiency in order to meet sustainable development goals while minimizing costs from carbon fees. We are also actively evaluating technologies such as electrified smelting for stainless steel, hydrogen energy, and carbon capture. The hope is to expand our carbon reduction with innovative technologies, enhance our corporate competitiveness, and achieve the vision of sustainable development.

In recent years, Walsin Lihwa has continued to integrate market opportunities brought by climate change into its high-value transformation strategy. Through a series of ongoing adjustments and forward-thinking deployments, our products have been successfully applied to green energy industries such as batteries, wind power, solar power, electric vehicles, and charging stations. Focusing on the four key directions of "energy creation, energy storage, energy transportation, and energy consumption," we are actively developing more green products and raw materials, promoting waste recycling, and inputting momentum into the development of a circular economy and renewable energy.

Social Sustainability -

Walsin Lihwa has a core value of being "people-oriented." We provide employees with abundant career development and international perspectives through diversified exchanges, learning mechanisms, and industry-academia collaboration opportunities. We also cultivate professional talent from different fields and local regions while also continuously optimizing our talent recruitment strategies, thereby consolidating the Company's competitiveness and embodying the synergistic effects of a multinational group. Workplace culture and the composition of talent are becoming increasingly diverse. Walsin Lihwa has always accepted the characteristics and expertise of all employees with an open and positive attitude. We believe that the integration of diverse experiences, skills, and viewpoints is a key force for driving corporate innovation and growth. We are dedicated to creating a modern and friendly working environment by combining technology applications and an innovative culture, which will elevate team productivity and collaboration and allow each employee to recognize their own value.

As a corporate citizen, Walsin Lihwa continues to strengthen its ties with local communities and strives to establish shared value at every plant location. Walsin Lihwa collaborated with the Indonesia Morowali Industrial Park (IMIP) Sustainability (ESG) Foundation in Indonesia to actively promote local education and sustainability projects as well as contribute to community development. We also welcomed exchange students from National Taipei University of Technology visiting Taiwan under the "Indonesian International Student Mobility Awards" scholarship to discuss the current and future development of the wire and cable industry. This stimulated the students' interest in relevant fields and further promoted international education exchanges and collaboration. Together we promoted the passing-on of knowledge and technologies as well as innovation.



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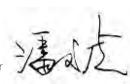


Sustainable Governance

There is a demand at home and abroad for sustainability-related financial information. In response, Walsin Lihwa established a cross-departmental task force in 2024 in accordance with the IFRS Sustainability Disclosure Standards to proactively promote relevant pilot programs. Progress is regularly reported to the Sustainable Development Committee and the Board of Directors to quickly ensure the Company's measures are in line with international standards. We have also established an internal control system for sustainable information management in accordance with the requirements of the competent authorities, and we regularly review and evaluate its design and implementation. This is to ensure the quality of the disclosed content, further increase the credibility of sustainability information, and strengthen their relevance to the Company's overall sustainable development strategies.

Digital transformation is a crucial step and key action for increasing productivity. Colleagues from Walsin Lihwa participated in digital technology presentation sessions and also took part in robot process automation (RPA) and artificial intelligence (AI) application projects. We also introduced the Digital Twin technology in smart factories to enhance the smart visualization of processes. These digitalization measures have started to show results. Accordingly, Walsin Lihwa further strengthened the Company's governance measures in 2024 and established the "Digital Intelligence Development Organization" to focus on the implementation of lean manufacturing, digital business model innovations, and optimization of enterprise process management, thereby establishing a solid foundation for future technological applications. However, information security risks will also arise as an organization becomes more digitalized. Due to this, Walsin Lihwa has continued to strengthen the Company's existing information protection measures, enhanced the intensity of simulation drills, and continued to raise awareness of information security among our employees, thereby creating a comprehensive security protection system. In 2024, we were once again honored with the Information Security Leadership Award from the Taiwan Corporate Sustainability Awards.

Looking into the future, we will continue to move forward with prudence and stability, uphold the spirit of excellence, and support operational expansion, technological advancement, energy conservation, environmental protection, and social progress. Walsin Lihwa will confidently overcome all challenges and build a better and sustainable environment through the joint efforts of the team and global partners.









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♣ About the Report

Walsin Lihwa Corporation (hereinafter referred to as "Walsin Lihwa" or the "Company") has compiled its Sustainability Report^{Note 1} based on the principles of openness, transparency, and integrity since 2014, disclosing non-financial information. This report is the Company's 11th report and continues to provide stakeholders with more complete and transparent ESG information. Considering that it does business around the world, Walsin Lihwa has published English versions of its Sustainability Report since 2017 to ensure the effectiveness of communication with overseas stakeholders.

Business Scope and Period of Disclosure

This report discloses information on Walsin Lihwa's sustainability actions and overall performance from January 1, 2024 to December 31, 2024. Walsin Lihwa's global business operations cover wire and cable, stainless steel, resources business, and real estate. The scope of disclosures in this report mainly includes locations in Taiwan, Mainland China, and Italy. Some of the contents cover Indonesia and other subsidiaries^{Note 2}. The information disclosed accounts for more than 75.0% of the consolidated revenue in 2024. If the scope of quantitative information includes other meanings, it will be described in notes.

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 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and corresponding indicators for sustainability disclosures, 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, which was provided by the Head Office and each operating unit and compiled by the Sustainability Office, were reviewed by the individual promotion centers under the Sustainable Development Committee. Subsequently, they were submitted to the President (Chief Sustainability Officer), the Sustainable Development Committee, and the Board of Directors for approval prior to publication of this report. Information in financial statements was audited by certified public accountants. External audits are conducted for ISO 14001, ISO 14064-1, ISO 14067, ISO 45001, ISO 46001, and ISO 50001 on an annual basis, and relevant verification status is as follows:

ISO 14001	Environmental Management Syst	tems Individual p	lants in Taiwan ar	nd Mainland China, Walsin Precision, CAS
ISO 14064-1	Greenhouse Gas Inventory at the	Organization Level	Individual plants i	n Taiwan and Mainland China, Walsin Precision
ISO 14067	Carbon Footprint of Products 2	products from the H	sinchuang Plant;	verification conducted every 2 years
ISO 45001	Occupational Safety and Health Management SystemWater Efficiency			Individual plants in Taiwan and Mainland China
ISO 46001	Management Systems Taichung Plant			
ISO 50001	Energy Management Systems	Individual plants in Ta	aiwan as well as Sh	nanghai Walsin and Yantai Walsin in Mainland China

External Assurance

An independent impartial third party BSI Taiwan has provided AAl000 AS v3 Type 2 moderate level of assurance that the non-financial information in this Report complies with the sustainability reporting standards published by the Global Reporting Initiative (hereinafter referred to as the "GRI Standards"). The relevant verification methods and verification statements are listed in the Appendix of this Report for reference.

Date of Publication and Period

The Company releases the 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 2024
- · Current issue: Published in May 2025

Previous reports



Contacts

Please contact us if you have any questions or suggestions about this report. Contact method:

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- **E-mail** esg@walsin.com
- @ Company website www.walsin.com
- Note: 1. From 2014–2020, this report was referred to as the Corporate Social Responsibility Report.
 - Cogne Acciai Speciali (CAS) was added in 2023, and information on its subsidiaries was added starting from 2024. Please refer to <u>CAS's</u> <u>sustainability website</u> for its sustainability report.
 - 3. If there is any difference between the scope of disclosure in this Report and the Company's <u>financial statements</u>, it will be described in the notes of each chapter or indicator.



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About Walsin Lihwa

Established in 1966 as a manufacturer of power wire and cable at inception, Walsin Lihwa Corporation 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 and a global stainless steel industry leader. The Company has also become an international consortium by successful expansion into real estate, the resources business, renewable energy, and hi-tech industries. Walsin Lihwa's core businesses include wire and cable, stainless steel, resources, as well as real estate. In 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 (CAS) completed its acquisition of Special Melted Products (SMP) and steel-rolling mills from Outokumpu in Europe in 2023. CAS further contributed to the circular economy by completing the acquisition of Italian waste stainless steel recycling company Com.Steel Inox S.p.A (Inox) in 2024, and acquired German seamless pipes and tubes manufacturer DMV GmbH to meet the diverse needs of high-end markets. Walsin Energy Cable System Co., Ltd. was also established in partnership with Denmark's NKT HV Cables to build Taiwan's first submarine cable plant in the Port of Kaohsiung. The plant is expected to be completed and 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

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



Business Integrity

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

Corporate Culture

Pursuit of Excellence

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

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.





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Product Scope and Category

Percentage **Products Applications** of Revenue

Wire and Cable Business

26%

- Power Cables
- Communication Cables
- Industrial Cables
- · Copper Wires
- · Steel Cables and Wires
- Submarine Cables^{Note}
- · Power transmission and distribution
- · Telecommunications network transmission
- · Wind turbines
- · Transportation, construction, engineering
- · Home appliances, electrical and mechanical engineering

Stainless Steel Business

- · Wire Rods
- · Cold Finished Bars
- Hot-Rolled Bars
- Seamless Pipes and Tubes
- · CR & HR Coils
- Precision Foils
- Billets / Slabs / Ingots
- Energy, petrochemical, automotive, and aerospace applications
- Industrial and construction piping
- Metal hardware

applications

- Fasteners
- · Medical, electronics, restaurant and kitchen, and electrical appliance



19%

- Production and Sale of Nickel Pig Iron
- · Production and Sale of Nickel Matte
- Material Trading Business
- Stainless steel smelting
- · Electric vehicle batteries



The Company's Head Office is located in Taipei, Taiwan, and business locations are distributed throughout Taiwan, Mainland China, Indonesia, Malaysia, Italy, Sweden, the United Kingdom, Germany, and the United States.

Resources Business



Stainless Steel Business

• Real Estate Business

Wire and Cable Business Hsinchuang, Yangmei, *Kaohsiung, Shanghai, *Hangzhou

Other |

Taichung, Yenshui, Yantai, Jiangyin, Changshu, Italy, Sweden, the U.K, *Germany

Resources Business Indonesia

Real Estate Business Taipei, Nanjing

Business Locations

Europe

Southeast Asia

United States

Wire and Cable Business Stainless Steel Business

Other *United States, Malaysia



%

- · Construction and Real Estate Development
- Asset Management
- Property Management
- · Real estate development
- · Office building leasing
- · Shopping mall operation
- Property management





2. Unless otherwise specified, an asterisk (*) indicates that it is outside the scope of this report.







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Milestones



1966 Company established in Hsinchuang.1972 Company's shares listed on the Taiwan Stock Exchange.



1987

1966

Diversification

- 1987 Construction of the Yangmei Plant for copper wire completed.

 The Company established Winbond Electronics to commence hi-tech investment and subsequently established Passive System Alliance, HannStar Board, and HannStar Display.
- 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 Developmen

- 2002 Expanded the Yenshui stainless steel plant to include slab steelmaking facilities.
- 2009 Completed 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 Officially commenced cold rolled steel coil production at the Taichung Harbor stainless steel coil plant.



Successful New Business Development

- **2015** Established the Corporate Social Responsibility

 Committee Note for corporate sustainability

 management and promotion.
- **2019** The ONE Mall in Nanjing Walsin Centro, in the commercial real estate field, commenced operation.
- 2020 Established Walsin Nickel Industrial Indonesia to expand the Company's reach to the production and sales of upstream materials in stainless steel production.
- 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 Acquired the UK-based Special Melted Products
 (SMP) to expand the Company's presence into the high-end stainless steel applications market, and set up a joint venture with cable manufacturer NKT to commence submarine cable business development.
- 2024 Made progress in circular economy by completing the acquisition of Italian waste stainless steel recycling company Com.Steel Inox S.p.A (Inox), and acquired German seamless pipes and tubes manufacturer DMV GmbH to meet the diverse needs of high-end markets.

Note: It was renamed the Sustainable Development Committee in 2019.

2015

2001



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Progress Towards Sustainability

Sustainability Achievements and Honors





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Social



Bronze AwardGolden Eagle Awards;
Kiwi Fruits' Multiple
Choice Question



for Occupational
Safety Role Model
Yenshui PlantSafety and
Health Family
PerformanceEvaluation



Taiwan iSports Badge Yenshui Plant



Award
Taichung Plant
Outstanding Healthy
Workplace Award



HR AsiaBest Companies to
Work with in Asia



Excellent Enterprise
Guidelines for Disclosure
PracticesRecommended for
Sustainable Workplace
Health and Safety SDGs

Environmental



LEED O+M Gold Level
Certification
Taipei Walsin Lihwa
Xinyi Building



The Adam Smith Awards

Best Cash Pool Solution
High Recognition Award



Top 5%Corporate Governance
Evaluation



Taiwan Corporate
Sustainability Award and
Global Corporate Sustainability Award



Class A Certification
Taiwan Intellectual Property
Management System



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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	Corresponding Section	
Objectives	Targets	300 initiatives and Achievements at Walsin Linwa	corresponding Section	
4 main income	4.5 Ensure equal access to all levels of education and	The Light Up the Corners Throughout Taiwan Project helped 5 elementary schools provide better teachers and facilities.	2.5.2 Empathizing with the	
4 Quality Education	vocational training for the vulnerable	Assisted in newspaper reading and tutoring at 52 elementary and junior high schools including 634 classes to help resolve urban-rural education disparity.	<u>Underprivileged</u> 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 84.6% of female employees returning to work in 2024.	2.3 Talent Motivation and Retention	
7		Implemented 105 carbon reduction solutions and decreased emissions by 18,886 tones of $\rm CO_2e$.	1.2.2 Energy Saving and Carbon Reduction Management	
**	7.3 Increase energy efficiency 7.a Strengthen renewable	Completed implementation of 5.5MWp of solar power generation for grid-connected power generation of 6,232,988 kWh in 2024.	1.2 Energy and Greenhouse Gas Management	
7 Affordable and Clean Energy	energy development	Delivered 9.5MW wiring harnesses—a CleanTech product—for offshore wind turbine towers, and successfully obtained certification for 14MW high-voltage wiring harnesses from major international wind turbine manufacturers.	4.1.2 CleanTech R&D and Investment	
	8.2 Pursue industry upgrading to increase product added value	Engaged in smart manufacturing for high added-value and high-end application product development as well as transition toward manufacturing services.	4.1 Product and R&D Innovation	
8 Decent Work and Economic Growth	8.3 Support productive activities, decent job creation, entrepreneurship, creativity, and innovation	Helped suppliers better understand the supply chain management system 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	Provided fair and reasonable compensation packages and work - conditions, ensured nondiscrimination for equal employment		
	8.7 Take immediate and effective measures to protect labor rights	opportunities, and ensured there was no child labor nor forced labor.	Management Policy	



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United Nations SDGs		SDG Initiatives and Achievements at Walsin Lihwa	Corresponding Section	
Objectives	Targets	SDO IIIIIatives and Acinevements at Waisin Linwa	Corresponding Section	
	9.1 Develop sustainable infrastructure	Developed and produced wires for solar and wind power generation as well as electric vehicle fast charging cable sets along with other CleanTech products such as battery upstream raw materials.	4.1.2 CleanTech R&D and Investment	
9 ###		Engaged in smart manufacturing for high added-value and highend application product development as well as transition toward manufacturing services.	4.1.1 High-Value Transformation	
9 Industry, Innovation and Infrastructure	9.2 Promote inclusive and sustainable industrialization	The Innovation R&D Center has endeavored to achieve sustainable industrial development, promoted green processes and circular economy and strengthened technology applications through industry-academia collaboration, and facilitated symbiosis and mutual prosperity between the Company and the environment.	4.1.2 CleanTech R&D and Investment	
	9.4 Adopt clean and environmentally sound technologies and industrial processes	Improved processes to increase productivity and reduce energy consumption, waste, and emissions; promoted the recycling and reuse of waste and wastewater; actively developed green processes for reduction from the source.	4.2 Green Products and Operation	
	12.2 Achieve the efficient use of natural resources	Recycled scrap steel used in stainless steelmaking amounted to 46.65%. The utilization rate of recycled packaging materials for wires and cables was 53.28%.	4.2.3 Status on Raw Material Use	
12 marriage control of the control o	12.4 Achieve the environmentally sound management of all waste	Recycled and reused 94.43% of scrap copper wires, power wires	1.4.2 Waste and Resource Recycle	
12 Responsible Consumption and Production	12.5 Substantially reduce waste generation through prevention, reduction, recycling, and reuse	and cables, and stainless steel, and recycled and reused more than 98.87% of hazardous waste.		
Production	12.6 Encourage 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 starting from the 2020 report.	About the Report	
13 gama	13.1 Strengthen resilience and adaptive capacity to climate	Developed photovoltaic cables for solar power, direct current and high voltage cables for offshore wind turbines, lightweight cables for port machinery systems, and cables for EV charging plugs.	4.2.1 Green Product	
13 Climate Action	related hazards and natural disasters	Developed resilient, weldable, high-strength, heat-resistant, and corrosion resistant stainless steel to help increase power efficiency and decrease carbon emissions.	Development	



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United Nations SDGs		SDG Initiatives and Achievements at Walsin Lihwa	Corresponding Section	
Objectives	Targets	300 initiatives and Achievements at Walsin Linwa	corresponding Section	
		The Italy plant established a bee farm to promote biodiversity and provide a safe habitat for bees.	1.5 Ecology and Biodiversity	
15 mm	15.4 Ensure the conservation of mountain ecosystems 15.5 Halt the loss of biodiversity	Supported Huabao Conservation and Breeding Co., Ltd. in implementing the Taiwan Tea Plant Variety Collection Project.	2.5.3 Caring for Ecology	
15 Life on Land		Released the "Eco-Friendly Cultivation" public welfare film <i>Multiple Choice Question of Kiwi Fruit</i> and won the Bronze Award in the Sustainable Micro Movie category at the 8th Taipei Golden Eagle Micro Movie Festival in 2024.	2.5.3 Caring for Ecology	
	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 2024, when all the 2,399 participants passed tests after their education and training.	3.3 Business Integrity	
16 Peace, Justice and Strong		Continued strengthening business integrity, including anti- corruption practices, and legal compliance promotion at supplier conferences in 2024, when 218 suppliers in Taiwan and Mainland China participated in such conferences.	3.5.2 Implementation of Supply Chain Management	
Institutions	16.b Promote and enforce	Forbade any unequal treatment and ensured nondiscrimination.		
	nondiscriminatory laws and policies	Walsin Lihwa Human Rights Policy: https://www.walsin.com/en/about-us/who-we-are/#pills-human-rights	- <u>2.1 Human Rights and Talent</u> <u>Management Policy</u>	
17 Partnerships for the Goals	17.17 Social engagement	Assumed an active role in the Chinese International Economic Cooperation Association, Epoch Foundation, Foundation for Peaceful Development Across the Taiwan Strait, and Chinese National Association of Industry and Commerce, and other social and economic cooperation organizations to help facilitate economic, industry, and technology development.	2.5.5 Corporate Citizenship Appendix 6: Participation in External Organizations	





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→ Identification, Analysis, and Management of Material Topics

2024 Stakeholder Identification and Material Topics Analysis Process



Identification



(1) 02 Material Topic Analysis

Compilation

Source:

Walsin Lihwa 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 Major

Identified Based on the

Stakeholders

2023 Results



Sustainability Issues

Understand the Organization's Sustainability Context

Source:

- International sustainability standards and specifications
- International sustainability ratings
- United Nations Sustainable Development Goals
- Industry trends
- Relevant sustainability practices in the industry

Identify Actual and Potential Impacts

of double materiality

Assess the Significance of 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
- · Assessment of the degree of concern of major stakeholders



27 Valid Questionnaires on Internal Impacts 309 Valid Questionnaires from Key Stakeholders

Prioritize the Most Significant Impacts for Reporting

Decide Material Topics

- Positive and negative material topics are analyzed based on the impact assessment results for sustainability issues conducted by senior management, and a matrix is drawn on this basis to summarize material topics with significant positive and negative impacts and important topics of concern to stakeholders. The union of these 2 types of products is then used to determine material sustainability issues for the year.
- material topic identification must be reviewed by the Sustainable Development Committee to verify that they meet the sustainability contexts and full disclosure requirements. Management policies are then formulated for material topics.

· The results of



12 Material Sustainability Issues



15



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Stakeholder Engagement

support.

Walsin Lihwa identifies and prioritizes stakeholders pursuant to the 5 principles of the AA1000 Stakeholder Engagement Standard (2015), i.e., Responsibility, Influence, Tension, Diverse Perspectives, and Dependency.

In 2024, Walsin Lihwa took inventory of 11 categories of stakeholders based on the 2023 stakeholder identification results, and identified 6 categories of major stakeholders: shareholders/investors, customers, employees, suppliers/contractors/outsourcers, government agencies, and banks/financial institutions. 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.

Major Stakeholders	Importance to Walsin Lihwa	Sustainability Issues of Concern ^{Note}	Engagement Method	Engagement Effectiveness
Shareholders/ Investors	Shareholders are the foundation of Walsin Lihwa's existence; the shareholders' meeting is the highest level organization that decides the direction of Walsin Lihwa's development according to the law.	 Corporate Governance and Legal Compliance Occupational Health and Safety Customer Relationship Management Waste and Circular Regeneration Product Quality and Responsibility 	 Shareholders Annual General Meeting and issuance of the annual report Shareholder hotline and mailbox (Shareholder Relations) Quarterly investor conferences and investor visits Investor hotline and mailbox (Investor Relations, ESG Mailbox) Company website and ESG website 	To communicate market conditions, future trends, growth strategies, and profitability with shareholders/investors, 1 Annual General Meeting, 4 investor conferences, and irregular investor visits were held.
Customers	Customers are the core of Walsin Lihwa's improvements to products and services; Walsin Lihwa has developed long-term trusting customer relationships.	 Product Quality and Responsibility Occupational Health and Safety Customer Relationship Management Business Performance Corporate Governance and Legal Compliance 	 Customer satisfaction survey Customer visits and customer services Participation in exhibitions Contact person hotline and mailbox for each business group (Contact person) 	In 2024, customer satisfaction reached 85.9%, and 5,454 regular/irregular visits were made to customers. The Company also participated in Wire & Tube Dusseldorf and TOC Asia in Singapore to promote its products and services, as well as search for potential customers and partners.
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	 Occupational Health and Safety Business Performance Labor/Management Relations Talent Recruitment, Salary and Benefits Training and Education 	 Regular Environmental Safety and Health Committee Meetings Quarterly labor-management meetings Employee Welfare Committee and Labor Union Complaint hotline and mailbox (Complaints Mailbox) 	 117 Environmental Safety and Health Committee Meetings 20 labor-management meetings 13 campus recruitment sessions 200 employees and their family members were invited to watch the musical A-Nee-Gu Gets into Trouble Again! YA~ 123 new employee orientation activities were held, with 1,541 total participants



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Major Stakeholders	Importance to Walsin Lihwa	Sustainability Issues of Concern ^{Note}	Engagement Method	Engagement Effectiveness
Suppliers/ Contractors/ Outsourcers	Suppliers, contractors, and outsourcers are Walsin Lihwa's upstream materials and service providers, and are key business partners that support Walsin Lihwa.	 Occupational Health and Safety Corporate Governance and Legal Compliance Product Quality and Responsibility Customer Relationship Management Business Performance 	 Visits, on-site assessments and audits Annual supplier conference Phone, email and letters 	In 2024, Walsin Lihwa organized a total of 2 exchange events and on-site visits to suppliers in Taiwan and Mainland China, reviewing the progress of each supplier in sustainable development and promoting the concept of a green supply chain.
Government Agencies	Government agencies are the highest level authority for establishing economic, environmental, social, and other regulations; operations at Walsin Lihwa are based on the latest laws and regulations.	 Occupational Health and Safety Training and Education Labor/Management Relations Society and Community Involvement Talent Recruitment, Salary and Benefits 	 Participation in briefing and conciliation meetings, questionnaires, and training courses on various policies and laws Official notifications Phone, email and letters 	Walsin Lihwa participated in 6 meetings of the competent authorities of environmental protection and safety and health in 2024, and was thereby able to comply with the latest regulations and adjust the Company's progress in sustainable development.
Banks / Financial Institutions	Provide financial assistance to Walsin Lihwa, mainly focusing on the financial performance and sustainability performance of Walsin Lihwa.	 Corporate Governance and Legal Compliance Risk Management Business Performance Air Pollution Emission Management Responses to Climate Change 	 Shareholders Annual General Meeting and issuance of the annual report Credit rating Quarterly investor conferences Company website and ESG website Investor hotline and mailbox (Investor Relations, ESG Mailbox) 	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 2 times. Financial team participated in 5 ESG meetings and forums.

Note: Yellow bold text indicates material topics for the year



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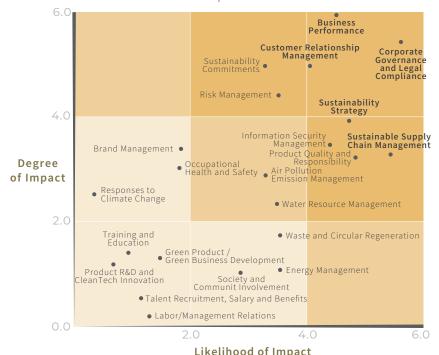
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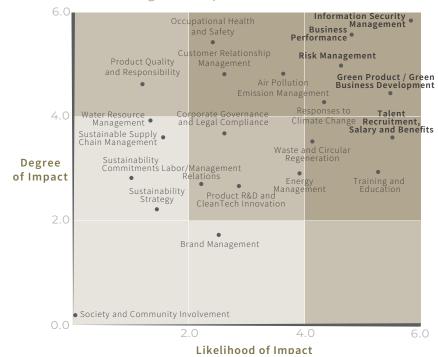
Material Topic Analysis

Walsin Lihwa summed up its 22 sustainability issues by factoring in what is required by the Sustainability Accounting Standards Board (SASB), the Task Force on Climate Related Financial Disclosures (TCFD), the Carbon Disclosure Project (CDP), the MSCI ESG Ratings, the 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. 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 operations and the 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 the economy, the environment, and people" as well as "the likelihood of potential impacts." The material topics with positive and negative impact and the topics of concern to stakeholders were summarized and reviewed by the Sustainable Development Committee, which formulated management approaches for each material topic, and submitted them to the Board of Directors for approval. In 2024, Walsin Lihwa identified the following 12 material topics. They are, in the order of importance: "Corporate Governance and Legal Compliance", "Business Performance", "Risk Management", "Information Security Management", "Green Product / Green Business Development", "Talent Recruitment, Salary and Benefits", "Sustainable Supply Chain Management", "Customer Relationship Management", "Sustainability Commitments", "Occupational Health and Safety", "Product Quality and Responsibility", and "Labor/Management Relations." Compared to 2023, "Green Product / Green Business Development", "Talent Recruitment, Salary and Benefits", "Sustainable Supply Chain Management", "Customer Relationship Management", and "Sustainability" Commitments" are newly added material topics. The subjects impacted by the aforementioned material topics as well as the material topics' scope within and outside the organization are defined, and further corresponded to specific GRI topics as the main subjects disclosed in this report on Walsin Lihwa's response strategies and current performance. The aforementioned 12 material topics issues are all managed according to the "Three Lines of Defense in Enterprise Risk Management," which involves control by each department and subsidiary, various risk management units, and the Auditing Office. For detailed management procedures and control mechanisms, please refer to Section 3.4 Risk Management and Compliance.

Matrix of Potential Positive Impacts and Likelihood of Occurren



Matrix of Potential Negative Impacts and Likelihood of Occurrence





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Management of Material Topics

high-value products, maintain its industry leadership, and facilitate economic development.

Business

Performance

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

+ indicates a positive impact; — indicates a negative impact; ● indicates a direct impact; O indicates an indirect impact impact Value Chain Impact Assessment Significance to Walsin Corresponding Lihwa GRI Topic Customers Corresponding Section Contractors Lihwa ♣ Walsin Lihwa upholds the principles of business integrity, strictly abides by the code of ethics and code of conduct. Walsin Lihwa ensures and safequards the rights business sustainability by and interests of stakeholders. respecting stakeholder Furthermore, Walsin Lihwa interests and rights, GRI 2-9 1.4 Air Pollution and optimizes corporate governance strengthening its Board Governance Waste Management in compliance with the law to of Directors structure structure and 2.4 Workplace Safety prevent the risks of illegality and and operation, increasing composition and Health ensuing liabilities, maintains the information transparency, GRI 2-27 Corporate 3.1 Corporate Company's corporate reputation Governance effectively implementing Compliance Governance and image, strengthens the and corporate sustainability with laws and 3.3 Business Integrity brand image and credibility Legal criteria and measures, regulations 3.4.3 Regulatory GRI 205Antiamong customers, and Compliance and complying with Compliance increases investment and government regulations corruption Appendix 1, GRI 206 revenues. to develop relevant GRI 206Anti-Anti-competitive competitive compliance policies and Violations of governance, Behavior measures and abide by Behavior social, and environmental laws them to prevent financial and regulations negatively and other impacts impact the social environment resulting from illegalities. and Walsin Lihwa, and sanctions may cause damage

Walsin Lihwa pursues business sustainability through ongoing and steadfast strategy improvement to provide	GRI 201	Operation effectiveness and efficiency are strengthened by productivity improvements as well as cost and waste reductions.
improvement to provide	Economic	

Performance

 Revenue losses and
environmental burdens are
caused by higher costs and
waste incurred by insufficient
productivity.

to Walsin Lihwa's reputation, finances, and personnel.

• 3.2 Business
Performance



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	Significance to Walsin	Corresponding		V	alue Ch	ain Impact	Assessment
Material Topic	Lihwa GRI Topic Significant Impact Suppliers			Walsin Lihwa	Customers	Corresponding Section	
Risk Management	To decrease the impacts of internal and external risks, Walsin Lihwa continues to identify relevant risks and plans countermeasures to enable effective monitoring and control of risks.	GRI 201 Economic Performance	 Mitigation of possible financial, reputational, or other impacts to strengthen operational resilience through the improvement of risk management and tracking. Possible financial, reputational, or other losses caused by the lack of sound risk management mechanisms. 	0	•	0	3.4 Risk Management and Compliance
Information Security Management	Walsin Lihwa is committed to strengthening cybersecurity protection to improve its cybersecurity rating, meet customer requirements in cybersecurity, and live up to the cybersecurity commitment to customers, shareholders, and other stakeholders.	GRI 418Customer Privacy	 ♣ The implementation of information security measures effectively protects the Company's core systems, and strengthens the information security system to protect customers' rights and interests. ■ Damage to the Company's rights or reputation may result from customer compensation claims or regulatory penalties due to leaks of business information or customer privacy caused by cybersecurity management failure, or the Company may suffer losses caused by information security incidents due to insufficient information security awareness of internal employees or attacks from external hackers. 		•	0	3.4.2 Information Security



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Matarial Tan: Significance to Walsin Corresponding Significance to Walsin		\	/alue Ch	nain Impact	Assessment		
Material Topic	Lihwa	GRI Topic	Significant Impact	Suppliers/ Contractors	Walsin Lihwa	Customers	Corresponding Section
Green Product / Green Business Development	Walsin Lihwa has adopted the strategy of "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", and uses a high percentage of "recyclable and reusable" materials. Production processes are based on the concept of "energy conservation, carbon reduction" to produce high-performance green products with "net zero practices, sustainable development", thereby helping customers and end users achieve energy efficiency and carbon reduction goals.	GRI 301 Materials GRI 302 Energy GRI 305 Emissions	 Active development of green products to help the value chain reduce GHG emissions, and these products have been well-received in the market. Products with high carbon footprints will face challenges in the market and their market shares will gradually shrink. 	0	•	•	4.2 Green Products and Operation
Hiring, Salary and Benefit	Walsin Lihwa attaches importance to employee benefits and upholds the concept of employee profit sharing. The Company conducts regular market surveys in hopes of providing employees with competitive overall salaries, so that it can attract outstanding talent to join the team at Walsin Lihwa.	GRI 2-7 Employees GRI 401 Employment GRI 404 Training and Education	 The Company provides an excellent bonus system and a variety of employee benefits and care measures, attracting many outstanding personnel to apply for openings at the Company, thereby enhancing the Company's competitiveness. The Company cannot attract talent when the salary and benefits offered fail to meet industry standards, resulting in severe labor shortages. 	0	•		2.3 Talent Motivation and Retention



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	Cinnificance to Malain			V	Value Chain Impact Assessment		
Material Topic	Significance to Walsin Lihwa	Corresponding GRI Topic	Significant Impact	Suppliers/ Contractors	Walsin Lihwa	Customers	Corresponding Section
Sustainable Supply Chain Management	Walsin Lihwa's policies, such as the Supplier Social Responsibility Performance Appraisal Principles and Sustainable Procurement Management Measures, ensure suppliers meet requirements on quality, cost, timely delivery, and service quality. There are also written evaluations and onsite audits to track suppliers' performance in issues such as environmental protection and human rights, thereby ensuring suppliers fulfill their social responsibility and promoting the sustainable development of the supply chain.	GRI 2-25 Processes to remediate negative impacts GRI 204 Procurement Practices GRI 308 Supplier Environmental Assessment	 Suppliers deliver high-quality products on time, and meet sustainability-related requirements, so additional compliance costs are not required. Poor supplier quality management and non-compliance with sustainability-related requirements would lead to a decline in customer confidence in the Company. 	•	•	0	3.5 Supply Chain Sustainability and Customer Service
Customer Relationship Management	Walsin Lihwa focuses on customers and industrial development, and is committed to becoming customers' most trusted partner through ongoing service process optimization, responsiveness to customer requirements and feedback, and cooperation for joint development.	GRI 416 Customer Health and Safety GRI 417 Marketing and Labeling GRI 418 Customer Privacy	 Higher customer satisfaction and more purchase orders. The number of customer complaints increases due to poor service and product quality. 		•	•	3.5 Supply Chain Sustainability and Customer Service



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	Significance to Walsin	Corresponding		V	alue Cl	e Chain Impact Assessment	
Material Topic	Lihwa	GRI Topic	c Significant impact		Walsin Lihwa	Customers	Corresponding Section
Sustainability Commitments	By enhancing organizational capabilities and deepening social engagement, Walsin Lihwa is committed to becoming a company that not only pursues growth and profit but also assumes the responsibilities of a corporate citizen. Walsin Lihwa has deeply embedded sustainable development in its core strategies and routine operations. The Company will work with business partners around the world based on the spirit of pursuing excellence to expedite business growth and technological innovation, and will also further dedicate itself to environmental protection and social progress.	GRI 2-22 Statement on sustainable development strategy GRI 2-23 Policy commitments	 ♣ The Company's senior managers make sustainability commitments to gain stakeholders' confidence and improve the Company's image. ■ Not having a clear and firm stance on sustainability issues will prevent the Company from gaining the trust of stakeholders and damage the Company's image. 		•		Message from Chairman Message from President and Chief Sustainability Officer Progress Towards Sustainability 2.1 Human Rights and Talent Management Policy 3.3 Business Integrity 3.5 Supply Chain Sustainability and Customer Service
Occupational Health and Safety	Occupational health and safety management policy and procedures are established, covering working environment safety maintenance, occupational risks management, employee wellness programs and health examination. These measures work to increase overall employee health and safety.	GRI 403 Occupational Health and Safety	 ♣ Zero work-related injuries occurred in recent years due to the planning of comprehensive occupational safety management measures, and this allows employees to feel safe in the work environment. ■ The work environment does not take safety protection into consideration, and relevant training is not provided, resulting in frequent work-related injuries. 	•	•	0	2.4 Workplace Safety and Health



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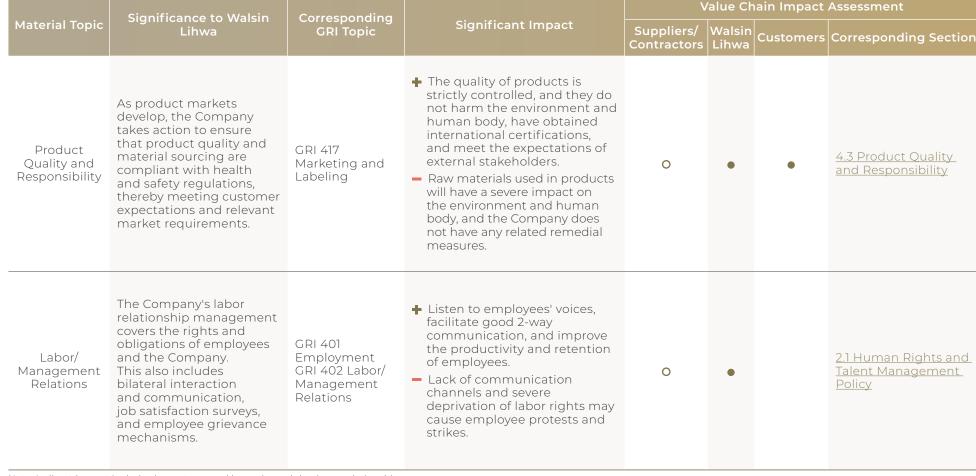
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Note: Indirect impact includes impacts caused by or through business relationships.





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Management Approach Table

Material Topic	Management Mechanisms and Purpose	Policy / Commitment / Responsibility	Goals / Resources / Actions / Complaint Mechanisms
Corporate Governance and Legal Compliance	 Periodic sustainability and corporate governance meetings are conducted to follow up on the implementation status of annual plans, thereby protecting shareholders' rights, treating shareholders equally, strengthening the Board of Directors' structure and operations, increasing information transparency, and fulfilling the Company's social responsibility. Categorization is accomplished based on organizational function and the laws relevant to each function; the Company follows regulatory changes and makes 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. A corporate culture of business integrity is created and sound business development is facilitated. Ongoing optimization of the Company's intellectual property-related regulations and rules is implemented, and the Company has established an intellectual property management system. 	 Corporate governance is a mechanism for guiding and managing the Company to fulfill its responsibilities, protect shareholders' lawful rights, and give consideration to the interests of other stakeholders. Business integrity is an important part of the Company's culture, stressing that all business activities must comply with local laws and regulations. The Company is committed to complying with laws, regulations, and procedures, and has established an emergency reporting system. 	Internal complaints: Walsin Lihwa has an internal company mailbox and provides employees with easily accessible internal complaint channels. External complaints: Complaint mailbox (violation of business integrity and sexual harassment) Corporate sustainability hotline and mailbox (ESG mailbox) Shareholder/Investor hotline and mailbox (Shareholder/Investor relations mailbox)
Business Performance	 Comprehensive strategy development and sound management practices are required to help achieve ongoing, sustainable growth while meeting the expectations of customers, employees, shareholders, and other stakeholders. 	· Strategy integration, digital transformation, and core competitiveness enhancement help Walsin Lihwa continue to improve its management performance.	Shareholder/Investor hotline and mailbox (<u>Shareholder/Investor relations mailbox</u>)
Risk Management	 An internal audit system and independent directors are present 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, and transparent, and comply with relevant regulations. 	• The Chief Audit Executive makes reports at Board of Directors meetings on a regular basis, and makes reports to the Audit Committee and independent directors on the internal audit and control implementation status on at least a quarterly basis.



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Material Topic	Management Mechanisms and Purpose	Policy / Commitment / Responsibility	Goals / Resources / Actions / Complaint Mechanisms
Information Security Management	· Information security plans are formulated for year-by-year implementation of the Information Security Policy, information security systems and workflow standards are introduced, and comprehensive information security technologies and relevant protection measures are set up.	 Maintenance of the confidentiality, integrity, and availability of sensitive customer data and business information, and jointly achieving information security goals with the collective efforts of all employees, internal and external information service users, and third- party service providers. 	• Walsin Lihwa has implemented the ISO 27001 Information Security Management System and obtained third-party verification, and the commitment to information security is fulfilled using the PDCA cycle. The confidentiality, integrity, and availability of all Company data are secured by a comprehensive information security management system. The Company continues to strengthen information security management by implementing pre-incident prevention, real-time monitoring, and post-incident response, in alignment with the Zero Trust architecture.
Green Product / Green Business Development	 Walsin Lihwa examines and manages the environmental impact of products from the aspects of raw material use, energy use, and greenhouse gas emissions. Walsin Lihwa develops clean technology and green products, such as wind power and electric vehicles, to help reduce greenhouse gas emissions and air pollution as well as promote green economy development. 	 The Company continues to develop high-performance green products to move toward a circular economy and improve application performance in order to reduce its impact on the environment. The Company continues to evaluate and actively consider participating in international environmental sustainability initiatives, such as the SBTi and EP100. 	 Goals: Focus on the future expansion of processes and materials, strive to develop green processes that achieve resource conservation, water conservation, electricity conservation, and energy consumption reduction, and produce high-performance green products for net zero practices and sustainable development. Complaint mechanism: Complaint mailbox (violation of business integrity and sexual harassment)
Hiring, Salary, and Benefits	• Walsin Lihwa has referenced the overall salary conditions of the employment market and established a remuneration system based on the salary levels of industry peers, in order to attract and retain talent.	 The Company adheres to the principles of compliance with local laws and regulations, strives to create harmonious labor-management relations under legal requirements, and ensures that the starting salaries of new employees and foreign workers comply with local laws and regulations. The Company provides reasonable and competitive overall compensation based on the value of every employee's professional competency in the market and the contribution of employees' duties. 	Resources: Company website (<u>Join us</u>) Actions: Quarterly labor-management meetings Complaint mechanism: Internal suggestion mailbox



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Material Topic	Management Mechanisms and Purpose	Policy / Commitment / Responsibility	Goals / Resources / Actions / Complaint Mechanisms
Sustainable Supply Chain Management	Walsin Lihwa's policies, such as the Supplier Management Measures, Supplier Social Responsibility Performance Appraisal Principles, and Sustainable Procurement Management Measures, ensure suppliers meet requirements on quality, cost, timely delivery, and service quality. There are also written evaluations and onsite audits to track suppliers' performance in issues such as environmental protection and human rights, thereby ensuring suppliers fulfill their social responsibility and promoting the sustainable development of the supply chain.	 Include corporate social responsibility (CSR) in supplier management mechanisms. Implement green procurement to realize the spirit of sustainable development. Supplier capability enhancement by information exchange and business practice collaboration. Prohibit the use of conflict minerals. 	 Short term: Implementation of the green supply chain project in conjunction with environmental and safety management, gradually compile carbon coefficients, and expand the scope of management to Mainland China plants. The Indonesian plants plan to obtain the Responsible Minerals Initiative (RMI) certification in 2025. Medium term: Implementation of effective counselling mechanisms 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.
Customer Relationship Management	• The Company works closely with customers in terms of technology and service through a professional team to resolve customers' pain points. In addition to routine customer visits and material usage assessments, the Company explores specific topics with customers, monitors the progress of new product testing, and conducts technical seminars to discuss key technologies, thereby enhancing the value of its products and services.	· Walsin Lihwa upholds the spirit and philosophy of "focusing on customer and industrial development" as the Company continues to optimize service processes, strengthen customer trust, and jointly drive industry progress with customers with the goal to create a winwin situation.	 Actions: Customer satisfaction survey and visits Resources and complaint mechanisms: Contact person hotline and mailbox for each business group (Contact person)
Sustainability Commitments	• The Board of Directors is the highest level guidance unit for strategies of Walsin Lihwa, and is responsible for fulfilling the Company's commitment to sustainable development. In addition to guiding management strategies and important action plans, it also monitors the achievement of various goals. The Sustainable Development Committee was established to promote and implement sustainable development, and assist the Board of Directors in continuously monitoring and supervising sustainability issues, ensuring continuous improvement in overall sustainability performance while pursuing corporate growth and profitability.	 Strengthen resource management, decrease environmental impact, and pursue circular economy. Uphold Walsin Lihwa's concept of full engagement to cultivate top-tier talent and create a happy workplace. Uphold the corporate culture of business integrity and continue to improve corporate governance. Strive to develop green processes, technologies, and products to create shared value with customers. 	 Goals: Pay attention to the rights and interests of stakeholders, and attach importance to impacts on ESG while pursuing sustainability and growth. Resources: The Company's ESG website, Corporate sustainability hotline and mailbox (ESG mailbox)



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Material Topic	Management Mechanisms and Purpose	Policy / Commitment / Responsibility	Goals / Resources / Actions / Complaint Mechanisms
Occupational Health and Safety	Responsible for the integration and supervision of domestic and overseas plants' occupational safety and health management performances, and gradually establishment 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, as well as caring for employee health, building a friendly and supportive work environment, and continuously improving performance in safety and sustainability practices.	 Goals: Effective reward and punishment system implementation to improve environmental protection and occupational safety by strengthening personnel's safety awareness and managers' determination to help decrease occupational accidents. Actions: Implementation of the ISO 45001 Standard for comprehensive production safety management, including the 5S Workplace Methodology, Total Productive Management (TPM), and Safety Job Procedures (SJP). Safety awareness developed by workers' full participation in their section and shift meetings to achieve zero work injuries, with the TPS lean production system and Kiken Yochi Training (KYT) in conjunction with simplified SJP for muscle memory enhancement to deal with high-risk jobs.
Product Quality and Responsibility	 Close attention is paid to the EU's REACH and RoHS Directive as well as lists of new hazardous materials and Substances of Very High Concern, and product inspections by competent authorities on a regular or as-needed basis to fulfill health and safety duties. Quality management system implementation and optimization 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 the Company's quality management system. 	 Actions: Customer satisfaction survey Customer visits Resources and complaint mechanisms: Contact person hotline and mailbox for each business group (Contact person)
Labor/ Management Relations	Through regular labor-management meetings and dedicated complaint channels, the Company promotes communication between management and employees to maintain harmony.	 Uphold Walsin Lihwa's concept of full engagement to cultivate top-tier talent and create a happy workplace. 	 Resources: The Company's ESG website Actions: Quarterly labor-management meetings Complaint mechanism: Complaint mailbox (violation of business integrity and sexual harassment)



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Highlights



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



105 carbon reduction projects, carbon reduction amount of **18,886** tons of CO₂e



Completed the construction of 5.5MWp solar power generation and grid-connected power generation of **6,232,988** kWh in 2024



Total water recovery rate (Taiwan and overseas (Asia)) >85%



Sulfur oxide (SOx) emissions





Waste recovery and reuse rate of (Taiwan and overseas (Asia)) 94.43%



Recovery rate of non-hazardous waste (Taiwan and overseas (Asia)) > 98.87%





	2024 Performance	Achievement	2025 Targets	2030 Targets
NOx	0.12	\checkmark	0.15	0.09
SOx	0.01	⊘	0.03	0.01
TSP	0.07	⊘	0.15	0.01
Non-hazardous waste	0.19	⊘	0.50	BACT
Hazardous waste	0.07	⊘	0.20	BACT

Note: The 2025 and 2030 targets include Taiwan, Mainland China, Malaysia, and Europe.



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Sustainability Promotion Strategy: Strengthen resource management, decrease environmental impact, and pursue circular economy Implementation Guidelines: 1 Increase resource use efficiency and recycling for a circular economy.

2 Establish energy management mechanisms for energy conservation, carbon reduction, and the reduction of pollutant emissions.

Mid- and Long-Term Goals:

1 To achieve its sustainability vision, the Company will align with international EHS indicators and promote intelligent EHS management in pollution prevention, equipment safety, contractor oversight, and daily operations. Through water resource monitoring and strategic water conservation (a 15% reduction by 2030 compared to the 2014 baseline), it will also seek collaborative opportunities to build an open circular economy system and enhance value creation.

2 Continuously refine greenhouse gas, energy management, and carbon reduction strategies, enhance energy efficiency by supporting the EP100 initiative, and strategically advance climate change mitigation and adaptation efforts in line with the SBTi science-based decarbonization pathway.

2024 Objectives	2024 Results	Implementation Plan for 2025
Power Saving and Carbon Reduction • Power saving rate of 1% • Carbon reduction rate of 1.5%	 Power saving rate: (1.92% in Taiwan and 4.58% overseas (Asia)) Carbon reduction rate: 3.15% (1.65% in Taiwan and 5.23% overseas (Asia)) Promoted the 5-year carbon management plan Completed the inventory of total carbon emissions and carbon emissions per unit product. Promoted green supply chain and low carbon alliance, obtained the carbon coefficient of raw materials, and developed the low-carbon value chain in Taiwan and Mainland China. Promoted new power-saving plans (please refer to 4.2.4 Green Manufacturing Process for related benefits). Completed the introduction and verification of the ISO 50001 energy management system in Mainland China plants. 	 Greenhouse gas management: Set inventory, carbon emission intensity per unit, and internal carbon pricing as management indicators. Energy management: Establish an energy management system, review key energy indicators, and implement energy conservation management plans based on clean production. Plan the establishment of compliant renewable energy in the short-term, and plan and evaluate the purchase of renewable energy in the long-term. Continue to promote sustainable green supply chain and low carbon alliances.
Water Resource Management (Reduce water consumption by 15% in 2030 compared with 2014 as the baseline) • Water consumption per unit product: 14 m³/t • Waste recovery and reuse rate ≥ 95%	 Water consumption per unit product: 7.59m³/t in Taiwan 1.42m³/t overseas 10.49m³/t Company-wide Ongoing review of individual plants' water balance charts. Completed the water balance charts for plants in Taiwan, Mainland China, and Malaysia, tracked water consumption on a monthly basis, and analyzed the difference between water consumption nodes. Set, as a management indicator, Company-wide water consumption per unit product of 14m³/t. Implemented water-saving plans, such as replacing heat dissipation materials in cooling towers to improve cooling efficiency and avoid loss from splashing; recycled condensate from air compressor A/B/C/D. 	 Continue to track and fill out the water balance chart to determine water consumption trends at water nodes. Replace tap water used in acid mist purification towers and acid tanks with recycled water. Recycle RO concentrated effluent to indirect water for reuse.



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2024 Objectives	2024 Results	Implementation Plan for 2025
Increase Resource Reuse and Recovery • Slag reutilization: 3,000 tons/month of oxidized slag • Waste recovery and reuse rate ≥ 95%	 Furnace dust and slag reutilization rate of 100%. Waste recovery and reuse rate: 99.18% in Taiwan 88.89% overseas 94.43% overall Established a strategic reuse technologies and business models for slag. Increased the amount of waste reused. Promoted projects to reduce the waste landfill rate in each plant. 	 Reduce pollution from the source. Develop technologies and associated business strategies for the reuse of resources and invest in the circular economy. Address environmental protection risks through environmental protection technology projects and seek resource-based business models.
Comply with Environmental Laws and Regulations • Completely Avoid Shutdowns and Fines (gradual annual reductions to zero)	 Number of environmental pollution fines: Taiwan: 3 cases (Yenshui) Overseas: 0 cases Number of environmental pollution cases: 0 cases Improved the environmental protection management system in the plant, improved the efficiency of treatment equipment, implemented standardized operations, complied with regulatory requirements, and cultivated environmental protection talent. 	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 talent.





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■ 1.1 Climate Action (TCFD)

Task Force on Climate-related Financial Disclosures (TCFD)

The world saw record-breaking heat waves and cold waves and faster-than-expected sea level rises in 2024. Walsin Lihwa has consistently taken active responses to increasingly severe climate change, with a deep understanding of the profound impact of climate change on corporate sustainability. Walsin Lihwa has introduced the risk management framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD). The Company has also referred to the IFRS Sustainability Disclosure Standard No. S2 Climate-Related Disclosure to comprehensively identify the risks, opportunities, and financial impacts brought by climate change to the Company's operations, and carried out numerous climate change mitigation and adaptation actions to continue to reduce risks, enhance resilience, and create opportunities for sustainable development.

1. Climate Change Governance

Climate Change Governance and Management Framework:

Walsin Lihwa's climate change governance and management framework is under the direct supervision of the Board of Directors, which monitors major climate risks and guides management strategies, important action plans, and goal achievements. The Sustainable Development Committee is subordinate to the Board of Directors, with an independent director serving as the convener, and the chairman, independent directors, and internal consultants serving as committee members. The Sustainable Development Committee is responsible for formulating corporate sustainability strategies and visions to implement sustainable development related work, and regularly reports to the Board of Directors on the implementation of sustainable development, such as climate change issues. The Sustainability Office is responsible for planning and guiding responsible departments of the Company to identify and manage the risks and opportunities brought about by climate change, and regularly reports the latest trends, impacts, and implementation performance of climate change issues to the Sustainable Development Committee.

Relevant responsibilities for dealing with climate change are provided as follows:

Board of Directors

- The Board of Directors is 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-making, and supervising the effective operation of climate change management mechanisms.
- 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, ensuring that climate change issues are closely incorporated into the Company's business development.

Sustainable Development Committee

- · Reporting climate change opportunity and risk assessment results as well as relevant work progress to the Board of Directors every year.
- · Implementing the climate change management policies passed by the Board of Directors and important resolutions, with mitigation of climate change risks and development of opportunities implemented by a dedicated promotion center.

Sustainability Office

- Staying updated on climate change development trends to help strengthen employee awareness of such trends.
- · 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 opportunitie related to climate change and propose corresponding strategies, track the implementation status and relevant objectives on a regular basis, and continue strengthening the management of climate change opportunities and risks.



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2. Management of Climate Change Opportunities and Risks

The Identification Process of Climate Change-related Risks and Opportunities

For effective management of climate change opportunities and risks, the Sustainability Office 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 response 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 response strategy development, the Company convened a second-round meeting focusing on the consolidated opportunities and risks. The department heads and personnel familiar with departmental operations attended the meeting to determine appropriate risk management strategies (reduction, transfer, acceptance, or control) for high-severity risks identified by each department.

1	TCFD workshop	Business-related climate change opportunity and risk factors are listed by the Sustainability Office through scenario analysis and simulation with internal and external information factored in. Climate risks: Transition risks (policy and regulatory, technology, market, reputation) and physical risks (immediate, long-term). Climate opportunities: Resource efficiency, energy sources, products and services, markets, and resilience.
2	Consolidation of identification results	Climate change opportunity and risk factors related to individual business units are consolidated by the Sustainability Office.
- 4	Matrix of climate change opportunities and risks	The weighted score of climate change risks/opportunities is calculated based on probability of occurrence and degree of impact, with the top 3 defined as material risks/opportunities, and the matrices of climate change opportunities and risks are drawn on this basis.
4	Response strategy development	Response strategies for material climate risks and opportunities are developed by responsible units.
5	Financial impact calculation	Calculations of the financial impact resulting from risks/opportunities and the costs of responding to such impacts are performed by responsible units.
6	Indicator and objective development	Relevant indicators and objectives are developed by responsible units to assess the effectiveness of response strategy implementation.
7	Policy implementation	The Sustainability Office tracks climate management policy implementation on a regular basis (at least annually), and the Sustainable Development Committee reports the implementation status to the Board of Directors on a regular basis as a reference for performance tracking.



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Assessment Criteria

Assessment of the Possibilities of Risks	Assessment of the Possibilities of Opportunities
 Past risk experiences: Never occurred, occurred in the past 5 years, occurred in the past 3 years, occurred in the past 1 year When risks will occur: Short-term (2025), mid-term (2026-2030), long-term (2031-2035) Possibilities of future risks: Low (probability < 1/3), medium (1/3 < probability < 1/2), high (probability > 1/2) 	 Past opportunity experiences: Never occurred, occurred in the past 5 years, occurred in the past 3 years, occurred in the past 1 year When opportunities will occur: Short-term (2025), mid-term (2026-2030), long-term (2031-2035) Possibilities of future opportunities: Low (probability < 1/3), medium (1/3 < probability < 1/2), high (probability > 1/2)
Assessment of Risk Impact Degrees	Assessment of Opportunity Impact Degrees
Operational impact Forewarning Reputational impact Financial impact scale Personnel impact	Reputational impact Financial impact scale

Simulation Results of Risks and Opportunities

Walsin Lihwa has completed the identification of climate-related risks and opportunities in alignment with the TCFD guidelines and with reference to 4 climate change scenarios.

Types of Climate- related Risks and Opportunities	Evaluated Response Strategies and their Scenarios	Scenarios
Transition RisksOpportunities	 NDC: Nationally Determined Contribution proposed by the Republic of China IEA NZE 2050 	 The Republic of China has set its own Nationally Determined Contributions (NDCs) to control global warming within 1.5° C, and the Company faces risks arising from the low-carbon transition. Based on the analysis of scenarios provided by the International Energy Agency (IEA) World Energy Outlook (WEO), a path is set to stabilize global warming at 1.5° C.
• Physical Risks	 Global warming scenario SSP 3 - 7.0 in the IPCC Sixth Assessment Report Global warming scenario SSP 5 - 8.5 in the IPCC Sixth Assessment Report 	 Assess the climate risks that the Company 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 by 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 an increase in the proportion of severe typhoons.

The Identification Process of Climate Change-related Risks and Opportunities

Establish Climate Change Scenarios

Based on the Company's operating conditions and locations, 4 climate change scenarios are set to assess climate-related risks and opportunities.

Assess the Impact on the Operating Environment

The impact of climate change on the operating environment and stakeholders is assessed.

Identify Climate Risks and Opportunities

The Risks and Opportunities form is used to identify climate-related risks and opportunities.

Risk and opportunity matrices are established to identify climate change risks and opportunities.



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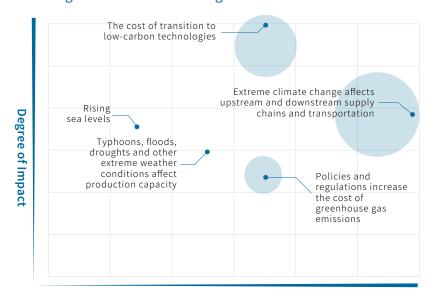
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After completing the identification of climate risks and opportunities, 3 high-risk factors and 3 high-opportunity factors were identified based on the "likelihood of impact" and "degree of impact" of the risks or opportunities. The risk matrix and opportunity matrix of climate change are as follows:

Managing Climate Change Risks and Opportunities Matrix Diagram of Climate Change-related Risks

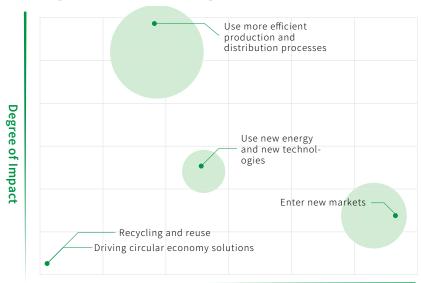


Likelihood of Impact

Tabulation of Identified Climate Change Risks

Risk Rankings	Numbering of Risks	Risk Types	Risk Factors	Time Scale of Occurrence
1	001	Physical risks - Acute risk	Extreme climate change affects upstream and downstream supply chains and transportation	Short and medium term
2	002	Transition risks - Technology risks	The cost of transition to low-carbon technologies	Medium term
3	003	Transition risks - Policy and regulatory risks	Policies and regulations increase the cost of greenhouse gas emissions	Medium term

Matrix Diagram of Climate Change-related Opportunitie



Likelihood of Impact

Tabulation of Identified Climate Change Opportunities

Opportunities Rankings	Numbering of Opportunities	Opportunities Types	Opportunities Factors	Time Scale of Occurrence
1	001	Resource efficiency opportunities	Use more efficient production and distribution processes	Short term
2	002	Products and services opportunities	Enter new markets	Short term
3	003	Energy source opportunities	Use new energy and new technologies	Short term



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Risk 001

Extreme climate change affects upstream and downstream supply chains and transportation



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.



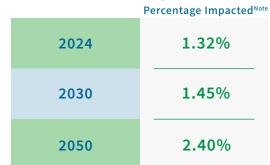
Scenarios

The financial impacts on Walsin Lihwa from increased extreme severe climate 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 Ministry of Science and Technology and the National Science and Technology Center for Disaster Reduction.



Walsin Lihwa specifically assessed the number of days and severity of related impacts to measure the impact of extreme weather events on the upstream and downstream parts of the supply chain and transportation. The overall potential financial impact (including deferred revenue) accounts for approximately 1.32% of total annual revenue. In response to the aforementioned risks, Walsin Lihwa invested NT\$101 million in 2024 to reduce the impact on overall operations.

Potential financial impact



Note: The impact percentage is based on current available data and response strategies in 2024. Potential technological advancements or additional response measures in the future have not been taken into consideration. Based on the current information, the percentage is expected to decline over time.

Risk Impact

Climate risks lead to delays in product delivery or broken supply chains, resulting in reduced and deferred revenues:

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 product delivery 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 the frequency of transportation services as a result, and the Company will need to find alternative transportation methods, which will incur additional transportation costs.

Late delivery due to damage to production equipment:

Extreme weather may cause damage to plants and production equipment, resulting in production line shutdowns and logistics disruptions. The additional time and cost required for repairs or equipment replacement will increase operating costs.

Response Strategies

Strengthening supply chain resilience:

Implement supply chain management through supplier evaluation, auditing and counseling, and increase the sources of raw material supplies to improve the resilience of the supply chain.

Optimization of goods warehousing:

Increase the stock of raw materials to reduce the risk of supply chain disruptions and ensure the stability of production. Furthermore, optimize inventory allocation and dispatching through a smart warehouse management system to increase inventory turnover rates.

Strengthen the ability to withstand risk:

Purchase insurance products that cover extreme weather and business interruptions to reduce the potential impact of climate disasters on operations.

The flooding of Yenshui, Tainan, in 2024 damaged equipment and delayed shipments. The losses were fully covered by insurance.

To mitigate the impact of climate change in the future, Walsin Lihwa raised the height of ditch embankments and made sure to close the floodgates in places that are less frequently accessed. Each department is also required to regularly dredge ditches in each area, and the ditches are inspected during flood prevention drills. Moreover, departments are required to prevent dust and garbage from falling into the ditches to ensure the drainage system is kept unobstructed.



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Risk 002

The cost of transition to low-carbon technologies

In order to promote low-carbon transformation, the Company continues to research and develop net-zero technologies and green and low-carbon products, resulting in increased research and development costs. In addition, the Company is phasing out and 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.



Impact

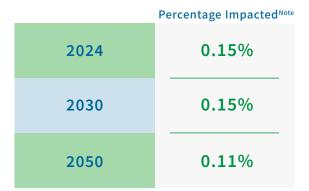
Scenarios

Under the net-zero trend, operators in all industries have adopted 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 NDCs proposed by the Republic of China respectively. These are used to assess the potential financial impact on the Company.



Walsin Lihwa assessed how its overall operations are impacted by investments to reduce the carbon emissions of its products, including the transition to low-carbon technology, the replacement of high energy-consuming equipment, and the use of clean energy, which were made in response to the national transition to net-zero emissions. After assessment, the potential financial impact accounts for 0.15% of the total annual revenue. In response to the aforementioned risks, Walsin Lihwa invested a total of NT\$258 million in 2023 and 2024 to mitigate the impact on overall operations.

Potential financial impact:



Note: The impact percentage is based on current available data and response strategies in 2024. Potential technological advancements or additional response measures in the future have not been taken into consideration. Based on the current information, the percentage is expected to decline over time.

Risk Impact

The development and production of low carbon emission products results in higher R&D and production costs:

With the world placing greater emphasis on carbon reduction issues, it is necessary to invest more R&D resources to develop products with low carbon emissions, in order to ensure that products comply with environmental regulations and market requirements. Additional R&D manpower and capital will be required, ranging from raw material investment to process improvement, which will increase R&D costs.

The replacement of high-emission process equipment results in higher operating costs:

To reduce product carbon emissions from the manufacturing process, the Company will gradually phase out high-emission process equipment and adopt low-carbon or clean technologies. However, equipment replacement and upgrade require high capital expenditures, including the purchase of new equipment, adjustments to production processes, and training of personnel, which will increase operating costs.

Response Strategies

Proactive deployment to meet early market demands:

Sustainability trends are rapidly changing, and the market demand for low-carbon technologies is rising. Advance deployment ensures the Company can protect its advantages against market competition, and the Company will invest additional resources in R&D and closely monitor market trends.

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, the Company shares resources and knowledge with partners to jointly develop low-carbon solutions and share R&D costs.



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WISN

Risk 003

Policies and regulations increase the cost of greenhouse gas emissions



In response to the increasingly stringent regulations related to greenhouse gas reduction and the increase in greenhouse gas emission pricing, the Company must pay carbon taxes and fees for greenhouse gas emissions associated with renewable energy procurement and operational activities, resulting in increased operating expenses.



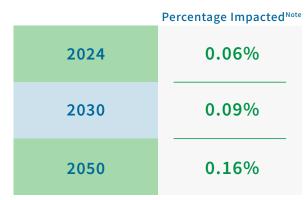
Scenarios

Under the net-zero trend, operators in all industries have adopted their net-zero emission strategies and are demanding a reduction in carbon emissions across the value chain, referencing the NZE pathway proposed by the IEA in the 2022 WEO report and the NDCs proposed by the Republic of China respectively. These are used to assess the potential financial impact on the Company.



Based on domestic GHG emissions and national carbon fee collection trends, Walsin Lihwa estimated the related cost of addressing GHG emissions and their impact on overall operations. After assessment, the potential financial impact accounts for 0.06% of the total annual revenue. In response to the aforementioned risks, Walsin Lihwa invested NT\$366 million in 2024 to mitigate the impact on overall operations.

Potential financial benefits



Note: The impact percentage is based on current available data and response strategies in 2024. Potential technological advancements or additional response measures in the future have not been taken into consideration. Based on the current information, the percentage is expected to decline over time.

Risk Impact

Rising 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 respective competent authorities. Taiwan's Climate Change Response Act will initially impose carbon fees on specific industries, which will increase operating expenses.

Increased internal carbon management costs and increased operating expenses:

To comply with regulatory requirements of competent authorities and implement environmental sustainability, more resources need to be invested in GHG inventory, emission data audit, and low-carbon technology R&D and deployment, which also includes the establishment of carbon management systems. These efforts will increase operating expenses.

Response Strategies

Research and development of low carbon technologies:

In response to carbon reduction requirements, the Company is 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 product life-cycle extension into product development considerations.

Improve production efficiency and energy efficiency:

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 of renewable energy installations:

Set up renewable energy installations to enhance the capacity to generate electricity from renewable energy sources.

Purchase renewable energy certificates:

Purchase renewable energy, including green electricity such as solar and wind energy, to offset greenhouse gas emissions and mitigate the financial impact of carbon taxes and fees.



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Opportunity 001

Use more efficient production and distribution processes



Walsin Lihwa introduced automated and high-performance equipment to improve production line efficiency and reduce overall operating costs. After evaluation, the potential financial impact is estimated at 1.42% of total annual revenue. To realize the aforementioned benefits, Walsin Lihwa invested NT\$313 million in related costs in 2024.



Opportunity Impact

Automation equipment reduces operating costs:

The introduction of advanced automation equipment and technology can optimize the production process, and enhance production efficiency and quality, while reducing human error and labor costs. The use of big data and automated technology to monitor production lines and accurately adjust production processes will reduce energy consumption, raw material waste, and operating costs.

Improved energy efficiency reduces operating costs:

Investment in energy-efficient equipment and the adoption of energy-saving technologies can significantly reduce the Company'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.

Calculation of product carbon footprint increases 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, the Company can earn additional income by selling emission reductions. This strategy not only helps to open up new revenue channels, but also encourages the Company to further invest in low-carbon and environmentally friendly technologies, forming a virtuous cycle.

Response Strategies

Build smart manufacturing plants:

The Yangmei Plant installed automated equipment, including automated warehousing and material handling systems, to reduce manual operations. Furthermore, smart operations were also implemented to record and store product incoming and outgoing information in real time, improving production efficiency and workplace safety.

Build capacity for self-sustained renewable energy installations:

The Yenshui Plant installed solar panels to reduce its reliance on traditional energy sources and energy purchase costs, increase energy selfsufficiency, and reduce carbon emissions.

Enhanced management of greenhouse gas emissions:

Regularly assess 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.



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Opportunity 002

Enter new markets



Entering the renewable energy market, such as the wind power, solar power, and electric vehicle sectors, to expand Walsin Lihwa's market reach and customer base, and increase revenue.

Opportunity Impact

Expanded sales volume and increased revenue:

Active development of clean energy industries such as wind power generation, solar power generation, and electric vehicles through independent R&D capabilities. As demand in relevant markets continues to rise, the Company's products that meet market requirements will further drive sales volume and revenue growth.

Developing new industrial applications together with customers increases market expansion and facilitates entry into new markets:

The Company is actively working with customers in the development of emerging industry applications to align with industry trends and help customers expand into new businesses. Furthermore, the Company helps customers expand their scope of business while increasing customer stickiness through cooperation, and accelerates the entry into new markets.

Response Strategies

Provide consulting services to help clients transform their industries and enter new markets: Provide trial materials for end applications and technical support services through special projects in response to the needs of the existing supply chain, and raise end-users' awareness of the Company's brand through consultation and planning. Furthermore, explore more opportunities for material conversion and drive the joint growth of customers and the

Invest in marketing and publicity for emerging market development:

Invest in industry research to understand potential supply chain needs and develop new business opportunities. Increase the Company's exposure through promotion activities organized by the Taiwan External Trade Development Council and domestic and international exhibitions, as well as improve the Company's brand image and visibility, thereby enhancing Walsin Lihwa's competitiveness in the international market.

Business expansion across industries:

Continue to gain insights into international industry trends and search for potential companies and industries for cooperation and mergers. For example, the Italian subsidiary CAS continues to engage in mergers and acquisitions in the European stainless steel industry chain to strengthen its technology and market advantages. The Company is also actively exploring new energy markets, such as electric vehicles and submarine cables, to diversify its business.

Opportunity 003

Use new energy and new technologies



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

Opportunity Impact

The use of renewable energy reduces greenhouse gas emissions, enhances 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, enhances product competitiveness, and increase sales revenue.

Response Strategies

Build capacity for self-sustained renewable energy installations:

Install solar generation capacity to increase the proportion of green electricity production. Evaluate expanding renewable energy generation capacity, including wind power, biomass energy, and hydrogen co-generation.

Capital investment to improve energy efficiency:

Evaluate the introduction of hydrogen combustion and oxygen-enriched air combustion into heat treatment equipment.



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3. Response Strategies to Climate Change

In response to the risks and opportunities brought about by extreme climate, Walsin Lihwa has actively launched various carbon reduction initiatives, established greenhouse gas reduction targets within the Group, formed a power saving and carbon reduction task force, developed 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 technologies, applied to process energy conservation, product performance, and industrial development" as the core, focus on the future expansion of the process and material aspects, actively use recycled and reusable green raw materials (e.g., scrap steel and scrap alloys), and continue to improve the raw materials of products. Furthermore, be committed to the green process development goals of saving resources, saving water, saving electricity and reducing energy consumption. For related information, please refer to "4.2 Green Products and Operation".
Renewable Energy	Actively invest in the installation of diverse renewable energy power generation facilities and cooperate 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	Introduce intelligent equipment to improve efficiency and reduce waste, utilizing the Internet of Things (IoT) and equipment monitoring technology to control the status of production and sales and the production process, address uncertainties between product design and manufacturing, and further reduce the use of raw material resources and carbon emissions. For related information, please refer to "4.2 Green Products and Operation".
Circular Economy	Promote the recycling of waste resources and continue to develop diversified applications including the reuse of by products such as slag. Furthermore, implement water and energy recycling measures, such as recycling of cooling water for manufacturing processes and environmentally friendly equipment, reuse of reclaimed water, and waste heat recovery. For related information, please refer to "4.2 Green Products and Operation".
Green Products	Develop sustainable high-performance products with low carbon emissions, and offer a variety of high-performance products to meet the needs of clean technology-related industries, in order to participate in and assist the overall industry in achieving the key goal of green energy transition. For more information on the Company's participation in the development of offshore wind turbines and electric vehicle-related modules in 2024, please refer to "4.2 Green Products and Operation".

4. Climate Change Related Indicators and Targets

☑ Greenhouse Gas Reduction

Please refer to "1.2 Energy and Greenhouse Gas Management" for the Company's progress towards achieving climate change-related targets.

Green Products

Please refer to "4.2 Green Products and Operation" for the Company's goals and progress regarding CleanTech product-related R&D and applications, including revenue from clean technology products and R&D spending.



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1.2 Energy and Greenhouse Gas Management

1.2.1 Environmental and Energy Management Policy

Walsin Lihwa actively responds to climate change by formulating carbon management, net-zero emissions, and resource recycling policies and goals. Through the gradual increase of annual investments in energy conservation, carbon reduction, resource reuse, and green supply chain management software and hardware, the Company is committed to creating a sustainable and eco-friendly operational system. The structure of the system is as follows:

Management at source

Prioritize the use of green materials (such as scrap metals) and renewable energy (such as solar power), and introduce smart equipment to improve efficiency and reduce resource waste.



Manufacturing process control and management and emission and pollution reduction

Use chemical energy to replace some electricity for electrical steel-making furnaces and manufacturing process improvement (such as pure oxygen combustion, and equipment performance optimization) to reduce the emissions of pollutants.



End-of-life recovery and recycling

Promote waste recycling and re-use (such as plastic pellets made from recycled waste plastics and recycling of waste acids), water and energy recycling and reuse, such as cooling water circulation in process and eco-friendly equipment, reuse of reclaimed water, recovery of waste heat, and slag reutilization.

- Economic decisions and systems
- Supply chain cooperation
- Innovation and value creation
- Transparency



Green Performance

Management System and System Construction

Walsin Lihwa has introduced a range of management systems, including the ISO 14001 environmental management system, ISO 50001 energy management system, ISO 14064 greenhouse gas inventory, ISO 14067 product carbon footprint, and ISO 46001 water efficiency. Through a comprehensive environmental management system, the Company strengthens energy resource management, improves resource utilization efficiency, reduces the impact of operations on the environment, and moves toward a circular economy. Please refer to the "About the Report" section and the company website for more information about the scope of the environmental sustainability management system, verification bodies, and certifications.

Environmental Protection Expenditure

Walsin Lihwa actively introduced advanced control equipment and combined 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. The Company also introduced a complete environmental monitoring system to identify potential contaminated areas and take preventive and corrective measures in advance.

Unit: NT\$

Cost	Equip	ment	Manag	ement	Others		
Category	Amount	Percentage	Amount	Percentage	Amount	Percentage	
Taiwan	56,569,000	14%	331,838,373	83%	11,844,150	3%	
Mainland China	130,036,811	46%	118,727,128	42%	31,502,516	11%	
Malaysia	0	0%	140,794	44%	177,852	56%	



Environmental protection equipment and expenditures in 2024

NT\$ **680,836,624**



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1.2.2 Energy Saving and Carbon Reduction Management

In order to achieve Walsin Lihwa's net-zero carbon emissions goal, the Company has not only applied scientific methods to set reduction targets and take measures, but also collaborated with external supply chains to jointly promote energy management and carbon management.

Walsin Lihwa's Carbon Management Strategy and Progress

Import carbon inventory

Greenhouse gas inventory (organizational inventory)

- Greenhouse gas inventory (ISO 14064)
- Product carbon footprint inventory (ISO 14067)
- Obtain third-party verification

Set reduction goals

Set short, medium and long-term goals

- Establish reduction targets and
- Inventory of energy hot spots and reduction potential (ISO 50001)
- Cultivate carbon reduction talent
- Green supply chain
- Low carbon alliance

Implement a reduction strategy Implement carbon reduction strategies and track their progress

- Corporate procurement of green electricity
- Internal carbon pricing and management strategies
- Low carbon supply chain strategies
- Replacement with energy-saving
- Innovative and optimized
- Use low carbon fuels

Achieve carbon neutrality/ net zero carbon emissions Carbon neutrality declaration

- - Purchase carbon credits or develop carbon capture technology • Confirm the effectiveness of reduction

Since 2017, Walsin Lihwa has been actively implementing and optimizing the energy management system. The Company has engaged an external energy consulting company to provide guidance to Taiwan plants in order to implement the ISO 50001 energy management system. In 2018, the Company successfully obtained the ISO 50001 certification, and the Mainland China plants (Shanghai Walsin and Yantai Walsin) also obtained the certification at the same time, showing the level of importance attached to energy management. In 2019, Walsin Lihwa further expanded the energy management mechanism in line with the spirit of the ISO management system to overseas plants. In 2020, Walsin Lihwa completed greenhouse gas management in accordance with the ISO 14064-1 standard, and all Taiwan plants completed verification, while overseas plants successfully established the ISO 50001 energy management system platform. 2050

Obtained Greenhouse Gas Certification (added Scope 3)

2021

- All Taiwan plants completed ISO 14064-1 verification
- ISO 50001 energy management implementation at all overseas plants

2023

- Overseas plants compiled inventories in accordance with ISO 14064-1
- Low carbon alliance plan launched

2025

• Renewable Energy Implementation

Net Zero

2022

- Green supply chain
- Carbon footprint of products at individual plants

2024

- ISO 50001 implementation at all overseas plants
- Implementation and adaptation of CBAM
- Greenhouse gas inventory of PT Walsin Nickel Industrial Indonesia and PT. Sunny Metal Industry
- PT Walsin Nickel Industrial Indonesia and PT. Sunny Metal Industry completed ISO 14064-1 verification
- PT Walsin Nickel Industrial Indonesia and PT. Sunny Metal Industry obtained ISO 14001 certification

Low-carbon Technology Implementation

2030

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





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Energy Management

The order of energy consumption in 2024 was electricity, natural gas, gasoline, diesel, and purchased steam, with a gross heating value of 10,107.91×10³GJ. Energy use and heating value ratio by product are shown in the table below:



Energy Consumption by Product category

Unit:GJ=109J

	Category	Wire and Cable	Percentage (%)	Stainless Steel (Asia)	Percentage (%)	Stainless Steel (Europe)	Percentage (%)	Total	Percentage (%)
	Outsourced electricity	157.78×10^{3}	41%	2,361.96×10 ³	44%	1,086.07×10 ³	25%	$3,605.81\times10^{3}$	36%
Indirect	Outsourced steam	-	-	76.38×10 ³	1%	0.00	0%	76.38×10^{3}	1%
Energy	Self-generated green electricity for self-use	14.93×10^3	4%	7.70×10^{3}	0%	$1,027.62\times10^3$	23%	$1,050.25 \times 10^3$	10%
	Petroleum	-	-	-	-	0.07×10^{3}	0%	0.07×10^{3}	0%
	Diesel	-	-	-	-	303.24×10^3	7%	303.24×10^3	3%
	Fuel oil	-	-	-	-	0.11×10^{3}	0%	0.11×10^{3}	0%
Direct	Automotive petroleum	0.54 ×10 ³	0%	3.37×10^{3}	0%	104.52×10 ³	2%	108.44×10 ³	1%
Direct Energy	Automotive diesel	0.57×10^{3}	0%	17.44×10^3	0%	170.78×10^3	4%	188.79×10^3	2%
Litergy	Liquefied petroleum gas (LPG)	0.41 ×10 ³	0%	0.01 ×10 ³	0%	172.30×10 ³	4%	172.73×10 ³	2%
	Natural gas	210.26 ×10 ³	54%	2,859.06 ×10 ³	54%	1,530.71×10 ³	35%	4,600.03×10 ³	46%
	Ethyne	2.00 ×10 ³	1%	0.06 ×10 ³	0%	-	0%	2.06×10 ³	0%
Total		386.49×10^3	100%	5,326.00×10 ³	100%	4,395.42×10 ³	100%	10,107.91×10 ³	100%

Note: 1. Energy consumption = fuel consumption x fuel heating value (based on the Energy Administration's 2023 manufacturing industry annual audit report)

2. The above information refers to the statistics of the wire and cable (Yangmei Plant, Hsinchuang 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

3. Other than self-generated green electricity for self-use, the remaining energy consumption above is non-renewable energy. Total non-renewable energy consumption is: 9,057.66 x 10³GJ

Types of Energy Consumed

		2021		2022			2023			2024		
Products	Gross heating value(GJ)	Output (tons)	Energy intensity									
Wire and Cable	992,812.80	339,741.40	2.92	865,414.55	285,663.60	3.03	612,715.36	175,195.40	3.50	386,493.04	182,144.99	2.12
Stainless Steel (Asia)	7,680,406.05	1,006,523.30	7.63	7,515,011.30	988,054.30	7.61	7,472,243.04	851,064.80	8.78	5,325,996.76	825,493.11	6.45
Stainless Steel (Europe)	+	-	Н	-	-	-	2,241,149.78	168,889.00	13.27	4,395,417.27	321,983.00	13.65

Note: 1. The energy intensity of stainless steel and wire and cable operations is gross heating value (gigajoules) / output (tons).

- 2. Heating values are based on the unit heating values of energy products in the 2014 Energy Statistics Handbook.
- 3. A gigajoule is 109 joules.
- 4. Stainless steel (Europe) data was consolidated starting from 2023 (2023: CAS standalone; 2024: CAS on a consolidated basis).



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Comprehensive Energy Saving and Carbon Reduction

In line with the national energy-saving goals, Walsin Lihwa has continued to promote various energy-saving measures, optimize the energy management E-system platform and conduct comprehensive inspections. In 2024, all Mainland China plants passed third-party verification of ISO 50001 energy management system, and will continue to pass system verification each year. The Company will also use the E-Energy Management Platform to explore key indicators for hot spot analysis to find opportunities for energy conservation and carbon reduction. In 2024, the energy intensity and emissions intensity per unit product of wire and cable and stainless steel in Asia decreased by 40.26% and 26.51%, respectively compared with 2023. The energy consumption reduction target per unit product in 2025 is set to decrease by 1.5% compared with 2024.



2015

Each plant 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 progress and have built an E-Energy Management Platform for real-time management.

2021

The 5.5 MWp of renewable energy (solar power) planned for self-generation and self-use was fully completed in 2024, and 6,232,988 kWh of electricity was generated.

2022

The Environmental Safety and Health Management Committee adjusted the 5-year energy management plan on an ongoing basis and set annual power saving and carbon reduction targets of 1.5%.

2024

All 4 plants in Taiwan met the 1% annual power saving rate requirement of the Energy Administration of the Ministry of Economic Affairs, with an average power saving rate of 1.92%. A total of 105 carbon reduction plans were implemented in the Company's Taiwan and overseas (Asia) plants, with a total power saving rate of 3.14% and a total carbon reduction of 18,886 tons of CO₃e/year.

Net Zero Promotion Strategy

Carbon Management



Inventory and Energy Saving

- Energy management system and information platform development
- Enhancement of production equipment efficiency
- Energy conservation plans reduce energy consumption by 15%



Internal Carbon Pricing

- Management of carbon emissions per unit of product and internal carbon pricing
- Improvement of carbon reduction management



Energy Creation

- Solar power (photovoltaics)
- Biomass energy and hydrogen energy



Recycling and Green and • Waste reduction and recycling

Sustainable Supply Chain • Green and sustainable supply chain



Low-Carbon Technology Opportunities

- Carbon reduction outsourcing
- Understanding and implementation of new technologies

 Electrification of equipment and implementation of low- and zero-carbon power
- -Hydrogen energy and carbon capture, utilization, and storage (CCUS) technology implementation
- Development of low-carbon products, materials, and raw materials



Green Energy
Procurement/Trading

- Solar power
- · Wind power



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Energy Saving at Walsin Lihwa in 2024

Plant	Solution	Energy-saving Type	Number of Solutions	Amount Saved	Reduced Energy Consumption (Megajoules)	Carbon Reduction (Tons CO₂e)	Carbon Reduction Value (NT\$)
	Reduce energy	Electricity (Kilo kWh)	68	7,602	27,372,391	3,781	
Taiwan	consumption in production and	Natural gas (Kilo cubic meters)	11	774	29,151,166	1,774	NT\$37,915,776
	offices	Other (tons)	2	10	-	205	
Total				-	56,523,558	5,760	
	Doduce energy	Electricity (Kilo kWh)	19	12,063	43,435,952	7,635	
Overseas (Asia)	(Asia) in production	Natural gas (Kilo cubic meters)	4	2,494	93,931,235	5,354	NT\$88,717,181
	processes	Other (tons)	1	578	1,592,913	136	
Total			24	-	138,960,100	13,126	

Note: 1. The CO2e emission equivalent is calculated based on the emission coefficients of electricity, natural gas, petroleum, steam, diesel, and/or others used at individual plants.

Unit: tons CO2e

- 2. Scope 1: Natural gas, diesel, and others. Scope 2: Electricity and purchased steam.
- 3. The emission amount before equipment replacement or renovation and manufacturing process adjustment is the benchmark (science-based calculation) for carbon reduction calculation.
- 4. Reduced energy consumption = amount saved x heating value (based on the Table of Heat Content of Energy Products in the Energy Administration's 2023 Energy Statistics Handbook).
- 5. The baseline year for ongoing reviews is 2023 (10,326.48 x 103GJ).

Carbon Reduction Results



Outstanding Manufacturer for Voluntary Greenhouse Gas Reduction

Each Walsin Lihwa plant sets reduction targets and implements relevant measures, and collaborates with external supply chains simultaneously to jointly promote energy management and carbon management. In 2024, the carbon reduction performance of Taiwan plants

reached 5,760 tons of CO₂e, winning the "Net Zero Pioneer Award" at the Taichung City Sunshine A+ Competition.





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Greenhouse Gas Emission Inventory(Scope 1 and Scope 2)

Environmental Safety and Health Information Platform

In 2015, Walsin Lihwa started to implement and optimize its Environmental Safety and Health Information Platform for greenhouse gas inventory and product carbon calculation by gathering data on greenhouse gas emissions at its individual plants for the Environmental Safety and Health Management Committee to conduct quarterly reviews of how such emissions are managed.

ISO 50001 Energy Management Systems

In 2018, the plants in Taiwan and Mainland China, based on the ISO 50001 standard, formulated 5-year energy management programs (2022 to 2027), which undergo ongoing reviews at individual plants every year. The plants continue to pass ISO 50001 verification each year to maintain the

ISO 14064-1 Greenhouse Gas Verification Standards

- In 2015, the Taichung Plant and Yenshui Plant passed ISO 14064-1 certification.
- In 2020, the Hsinchuang Plant and Yangmei Plant introduced the ISO 14064-1 standard.
- In 2022, overseas plants introduced the ISO 14064-1 standard and compiled internal greenhouse gas emissions inventories.
- In 2023, the Taiwan and oversea plants completed ISO 14064-1 verification.
- In 2024, Indonesia WNII and PT. Sunny Metal Industry introduced the ISO 14064-1 standard, compiled an internal greenhouse gas inventory, and obtained third-party verification.

ISO 14067 Product Carbon Footprint Standard

In 2024, plants in Taiwan and Mainland China completed the ISO 14067:2018 product carbon footprint inventory, and 2 products of the Hsinchuang Plant continued to pass third-party product carbon footprint verification.

Company-wide Carbon Disclosure Timeline

		2022	2023	2024	2025	2026	2027
Company-wide Planning and	Inventory	Taiwan, Mainland China, Malaysia	Waltou Green Resources	Indonesia WNII and PT. Sunny Metal Industry, CAS on a consolidated basis	-	-	-
Implementation	Assurance	Taiwan	Mainland China, Malaysia	Indonesia WNII and PT. Sunny Metal Industry	-	CAS on a consolidated basis	-
Regulatory Requirements	Disclosure	-	Inventory data (Standalone)	Assured data (Standalone)	Inventory data(Consolidated)	-	Assured data(Consolidated)

Walsin Lihwa continues to monitor the development of emissions allowances, EU Carbon Border Adjustment Mechanism (CBAM), Taiwan carbon fees and the development of internal carbon pricing, and participates in the operation of the Mainland China carbon trading market to ensure future carbon quotas and the Company's sustainable operation and development.

2024 Greenhouse Gas Inventory of Indonesia WNII and PT. Sunny Metal Industry

Inventory Guidance Time	February	March	April	May	June	July
Inventory Guidance Order	Kickoff Meeting	Boundary Setting	Emission Source Identification	Calculation of Emissions	Internal Audit	External Assurance
Inventory Guidance Content	Conducted the first training session.	Report boundaries were set to Categories 1 to 4.	 Category 3: Upstream and downstream transportation and waste transportation. Category 4: Carbon emissions from raw materials and waste disposal. 	The SimaPro software database was used for coefficients for Category 3 and 4.	Internal audit of data.	Complete external verification.



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Plan to Implement Energy Management Systems in Mainland China Plants in 2024

Energy Management

Established comprehensive ISO 50001 energy management systems in Mainland China plants to implement energy conservation plans of each plant, to align with trends and requirements for greenhouse gas, energy conservation, and carbon reduction.

Energy Management System Implementation Process	2024 Schedule
Seed Instructor Training	January
Energy Review	February
Control of Major Energy Use	April
Standardization of Energy Management	May
Internal Audit	June to July
External Assurance	Completed external assurance in August

Product Carbon Footprint Inventory Planning of Taiwan and Mainland China Plants in 2024

Green Products

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

Product Carbon Footprint Inventory Analysis Process	2024 Schedule
Greenhouse gas inventory list revision	January
Energy consumption distribution principles setup	February
Suitable energy consumption distribution principles selection	March to April
Product carbon footprint calculation	May
Internal audit/external assurance	Completed the internal audit report in June Completed the external verification for the Hsinchuang Plant in November

Compiled an inventory for 57 stainless steel and insulated wire and cable products in 2024 in response to customer inquiries and regulatory requirements.

Greenhouse Gas Emissions (Scope 1 and Scope 2)

Since 2014, the Company has promoted greenhouse gas emission intensity inventory and various energy reduction plans. The emission intensities of Taiwan plants and oversea plants (Asia) in 2024 classified according to product characteristics (wire and cable, copper wire, stainless steel) were 0.320, 0.127 and 0.608, respectively; they decreased by 13.64%, 8.54%, and increased by 2.01%, respectively compared to the base year^{Note}; overall greenhouse gas emissions of Taiwan and overseas plants increased by 4.98% and 22.95% respectively compared to 2023.

Walsin Lihwa remains committed to exploring all feasible emission reduction solutions 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: Walsin Lihwa originally used 2014 as the benchmark year for per-unit greenhouse gas emissions, but adjusted the base year to 2020 (Scope 1: 190,381 tons; Scope 2: 402,296 tons) due to changes in product structure and a plant divestiture.



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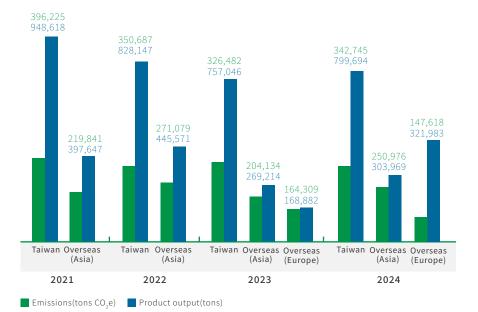
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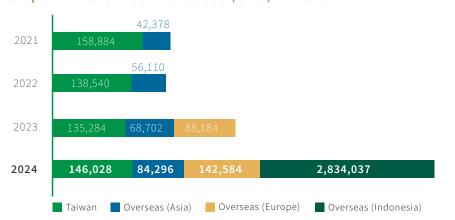
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Greenhouse Gas Emissions



Note: Europe site: 2023: CAS standalone, 2024: CAS on a consolidated basis.

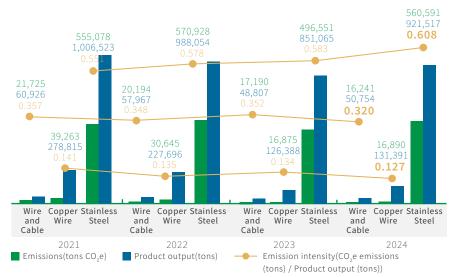
Scope 1: Direct Greenhouse Gas (GHG) Emission Unit: tons CO₂e



Note: 1. Scope 1: direct energies; Scope 2: indirect energies; greenhouse gas (GHG) emissions include CO_2 , N_2O , CH_4 , HFCs, and SF_6 .

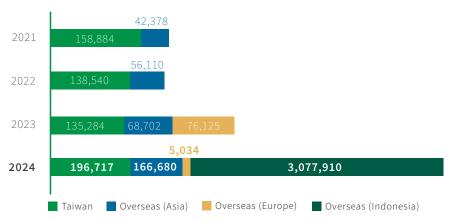
- 2. Taiwan: Yangmei Plant, Hsinchuang Plant, Yenshui Plant, Taichung Plant.
- 3. Overseas (Asia): Jiangyin Walsin (Specialty Alloy Materials), Shanghai Walsin, Yantai Walsin, Changshu Walsin, Walsin Precision.
- 4. Overseas (Europe): 2023: CAS standalone, 2024: CAS on a consolidated basis.
- 5. Overseas (Indonesia): Indonesia WNII and PT. Sunny Metal Industry were included in 2024.

Intensity of Greenhouse Gas Emissions for Each Product



Note: The base year for the greenhouse gas emission intensity of each product is 2020, with wire and cable at 0.371, copper wire at 0.139, and stainless steel at 0.596 (excluding CAS).

Scope 2: Indirect Greenhouse Gas (GHG) Emission Unit: tons CO₂e



- 6. Emissions unit: tons CO_2e ; intensity unit: CO_2e emissions (tons) / product output (tons)
- 7. The emission coefficient is based on Version 6.04 of the greenhouse gas emission coefficient management table published by the Environmental Protection Administration and on the 2023 IPCC Sixth Assessment Report (AR6). The operational control method is adopted for consolidating the greenhouse gases.
- 8. 2014 is the Company's benchmark year for energy saving solution implementation.
- 9. Scope 2 emissions were calculated using the market-based method.

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1,254,213.20

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Greenhouse Gas Value Chain Inventory (GHG Scope 3)

Walsin Lihwa follows ISO 14064:2018, GHG Protocol and undergoes third-party verification to identify carbon emission activities in the value chain as a basis for formulating emission reduction strategies. In 2023, the Company established the Walsin Lihwa Low Carbon Alliance and promoted the sustainable supply chain plan. Together with value chain partners, the Company is building a sustainable business model. For Scope 3 emissions in the 2024 greenhouse gas inventory, Walsin Lihwa adopted the materiality identification criteria to identify upstream raw material emissions from purchased products and services, fuel- and energy-related upstream emissions, disposal of waste generated from operations

	GHG Protocol	ISO 14064-1	Emissions from Taiwan Plants (tons CO ₂ e)	Overseas Plants (tons CO₂e)
	Category 4: Emission Categories from Upstream Transportation and Distribution	Category 3: Indirect Greenhouse Gas		
	Category 7: Employee Commuting	Emissions from	115,679.52	121,420.90
Scope 3	Category 9: Emissions from Downstream Transportation and Distribution	portation and Distribution		

Note: 1. Taiwan: Yangmei Plant, Hsinchuang Plant, Yenshui Plant, Taichung Plant.

Category 1: Purchased Products and Services

2. Overseas (Asia): Jiangyin Walsin (Specialty Alloy Materials), Shanghai Walsin, Yantai Walsin, Changshu Walsin, Walsin Precision.

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

Stricter compliance requirements for EHS/energy management each year The coverage of Walsin plants and suppliers has been expanded to full coverage year by year

Category 5: Disposal and Treatment of Waste Generated from Operations

2023

2022

2021

Initiative

Green Supply Chain

- Green Supply Chain Promotion
- The top 20% suppliers conducted GHG inventory (Category 1, 2)
- Provide GHG emission intensity

Top 20% suppliers

- Conduct GHG inventory for Category 1 and Category 2
- Provide GHG emission intensity data
- Promotion of environmental & occupational safety and health system
- Promotion of the energy management system

Category 4: Indirect

Emissions Generated

by Products Used by an

Greenhouse Gas

Organization

Top 40% suppliers

GHG inventory

2024

- Provide GHG emission intensity
- Promotion of environmental and occupational safety and health system
- · Promotion of the energy management system

Top 20% suppliers

- GHG inventory (Category 1, 2)
- · Provide GHG emission intensity
- Promotion of environmental & occupational safety and health system
- Provide risk data
- Promotion of the energy management system

- Top 60% suppliers • GHG inventory (Category 1, 2) &
- verification • Provide GHG emission intensity
- Promotion of environmental & occupational safety and health
- Promotion of the energy management system

Suppliers (40%)

2025

- GHG inventory (Category 1, 2) & verification
- Provide GHG emission intensity
- Promotion of environmental & occupational safety and health system
- Provide risk data
- Promotion of the energy management system
- Provide energy saving and carbon reduction goals & actual performance

Suppliers (60%)

2026~

2,307,535.72

- GHG inventory (Category 1, 2) & verification
- Provide GHG emission intensity
- Promotion of environmental & occupational safety and health system
- Provide risk data
- Promotion of the energy management system
- Provide energy saving and carbon reduction goals & actual performance





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■ 1.3 Water Resource Management

1.3.1 Water Resources Utilization

Walsin Lihwa Water Resources Management Policy



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 Lihwa which is committed to the proper management and recycling optimization of water resources, conducts its risk impact analysis and continuous operation planning. The Company also established a management model comprising "source management", "source reduction" and "recycling" to ensure the continued operation of the Company's water system, and has formulated a water shortage crisis response mechanism in advance. Through 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 shortage, overseas plants in high-risk areas (Yantai Walsin) discharge zero wastewater and increase the reuse of reclaimed water. In 2024, the tap water withdrawal of plants in Taiwan and overseas regions (Asia) increased by 2.37% compared to 2023. The increase in overall water consumption was mainly due to the increase in production at the Yangmei Plant, Yantai Walsin, and Walsin Precision (Malaysia).

Unit: million liters

Region	Plant	Regional Water Supply of Plant	Tap Water Withdrawal by Plant	Proportion of Tap Water Withdrawn from Plants in the Region
	Hsinchuang Plant	1.6x10 ⁵	112	0.0704%
Taiwan	Yangmei Plant	3.9x10 ⁵	45	0.0116%
raiwan	Taichung Plant	6.1x10 ⁵	365	0.0601%
	Yenshui Plant	3.4x10 ⁵	98	0.0287%
	Shanghai Walsin	1.0x10 ⁷	6	0.0001%
Overseas	Jiangyin Walsin (Specialty Alloy Materials)	5.7x10 ⁷	26	0.0000%
(Asia)	Changshu Walsin	5.7x10 ⁷	199	0.0003%
	Yantai Walsin	7.0x10 ⁶	215	0.0031%
	Walsin Precision	2.4x10 ⁵	17	0.0072%

Note: 1. The water discharge volumes of plants in Taiwan are based on statistics in the 2023 Annual Report of Taiwan Water Corporation (Hsinchuang Plant - 12th District Administration Office, Yangmei Plant - 2nd District Administration Office, Taichung Plant - 4th District Administration Office, Yenshui Plant - 6th District Administration Office).

- 2. The water supplies of regions where overseas plants (Asia) are located, aside from Walsin Precision, are based on 2023 data of the National Bureau of Statistics (Shanghai Walsin Shanghai City, Jiangyin Walsin (Specialty Alloy Materials) - Jiangsu Province, Changshu Walsin - Jiangsu Province, and Yantai Walsin - Shandong Province).
- 3. The water supply in the region where Walsin Precision (Malaysia) is located is based on the 2022 environmental statistics for Melaka of the Department of Statistics Malaysia.



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Major Water Source Risk Assessment

Region	Plant	Basin	Total Water Risk	Water Shortage Risk	Groundwater Level Decline Risk	Drought Risk	River Flood Risk	Coastal Flood Risk
	Hsinchuang Plant	Tamsui River	Low to medium(1-2)	Low(<5%)	Insignificant		Low to medium	Medium to high
Taiwan	Yangmei Plant	Dongshi River	Low to medium(1-2)	Low(<5%)	Insignificant		Low to medium	Medium to high
TalWafi	Taichung Plant	Dajia River	Low to medium(1-2)	Low(<5%)	Insignificant		Low to medium	Medium to high
	Yenshui Plant	Zengwen River	Low to medium(1-2)	Low(<5%)	Insignificant		Low to medium	Medium to high
	Shanghai Walsin	Huwei Lake	High(3-4)	Low to medium (5-25%)	Low to medium (0-2 cm/year)	Medium to high	High	Low
Overseas	Jiangyin Walsin (Specialty Alloy Materials)	Yangtze Delta	High(3-4)	Low to medium (5-25%)	Low to medium (0-2 cm/year)	Medium to high	Medium to high	Medium to high
Overseds	Changshu Walsin	Yangtze Delta	High(3-4)	Low to medium (5-25%)	Low to medium (0-2 cm/year)	Medium to high	Medium to high	Medium to high
	Yantai Walsin	Yellow Sea	Extremely high(4-5)	Extremely high (>75%)	Insignificant	Medium to high	Low	Medium to high
	Walsin Precision	Jiyang	Low to medium(1-2)	Low(<5%)	Insignificant	Medium	Low to medium	Medium to high
Overseas (Europe)	CAS	Mediterranean Sea	Medium to high(2-3)	Low to medium (5-25%)	Insignificant	Medium	Low	Low

Note: 1. 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 because the water withdrawal is lower than 5% of the total withdrawal in an area.

- 2. Yantai Walsin is the main overseas plant facing high risk of water shortage, but it has achieved zero discharge, with processes and cooling water entirely recycled and reused.
- 3. The Water Resource Institute (WRI) Aqueduct Tool is used for water risk assessment.
- 4. Data of the European site was included starting in 2023 (2023: CAS standalone; 2024: CAS on a consolidated basis).

Walsin Lihwa reduces its water consumption by installing rainwater recovery systems, processing water recycling, and cooling water circulation. The main source of water used in operations is tap water. According to water meter records, the total water consumption of Taiwan plants reached 14,068.78 million liters in 2024. For overseas plants, the total water consumption in Asia was 873.62 million liters, and in Europe it was 12,933.78 million liters. Most of the water consumed in Europe came from in-plant wells, which were approved by the competent authority. Compared to 2023, the average water consumption per unit product in Taiwan plants and overseas plants in Asia decreased by 0.40%. Although total water consumption in each plant increased, water consumption per unit of product remained stable due to the simultaneous increase in production, showing only a slight decrease. The water recovery rate of Taiwan plants increased slightly by 0.1% in 2024 compared to 2023 (up from 91.09% to 91.23%). However, the water recovery rate of overseas plants in Asia decreased 9.9% (from 19.04% to 17.16%), mainly due to the increase in production by the Yantai Plant causing total water consumption to increase. However, the increase in water recovery volume was relatively limited and affected the overall recovery performance.

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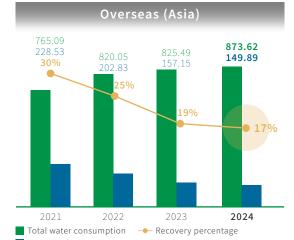
Unit: million liters

Note: 1. Total water consumption = tap water (water supply from third-party facilities) + groundwater + industrial water (water supply from third-party facilities) + process reclaimed water

- 2. The water is fresh water (≤1,000 mg/L total dissolved solids)
- 3. Europe site data was consolidated in 2023 (2023: CAS standalone; 2024: CAS on a consolidated basis).

Water Use and Recovery

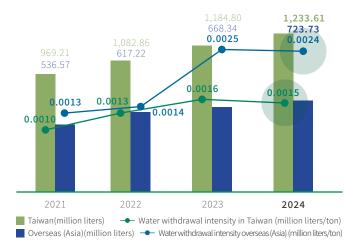




Recovered water amount

- Note: 1. Consumption of tap water, industrial water, and groundwater is primarily based on water meter readings.
 - 2. Water is primarily recovered from manufacturing processes and cooling water, and the water recovered is recorded by
 - 3. Total water consumption = tap water (water supply from third-party facilities) + groundwater + industrial water (water supply from third-party facilities) + process reclaimed water
 - 4. The water is fresh water (≤1,000 mg/L total dissolved solids)
 - 5. Taiwan: Yangmei Plant, Hsinchuang Plant, Yenshui Plant, Taichung Plant
 - 6. Overseas (Asia): Shanghai Walsin, Jiangyin Walsin (Specialty Alloy Materials), Changshu Walsin, Yantai Walsin, Walsin
 - 7. Dongguan Walsin was closed in 2023, and Jiangyin Walsin and Specialty Alloy Materials have been collectively referred to as Jiangyin Walsin (Specialty Alloy Materials) since 2024.

Amount of Purchased Water Withdrawal and Water Withdrawal Intensity



Note: 1. Consumption of tap water, industrial water, and groundwater is primarily based on water meter readings.

- 2. Purchased water = tap water (water supply from third-party facilities) + groundwater + industrial water (water supply from thirdparty facilities)
- 3. The water is fresh water (≤1,000 mg/L total dissolved solids)
- 4. Taiwan: Yangmei Plant, Hsinchuang Plant, Yenshui Plant, Taichung Plant
- 5. Overseas (Asia): Shanghai Walsin, Jiangyin Walsin (Specialty Alloy Materials), Changshu Walsin, Yantai Walsin, Walsin Precision (Malaysia)
- 6. Dongguan Walsin was closed in 2023, and Jiangyin Walsin and Specialty Alloy Materials have been collectively referred to as Jiangyin Walsin (Specialty Alloy Materials) since 2024.



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1.3.2 Wastewater Treatment and Water Pollution Prevention

Walsin Lihwa's core goals of wastewater management are wastewater reduction and recycling. Each plant has equipped with dedicated wastewater treatment facilities to ensure that wastewater is properly treated and only discharged after meeting effluent standards. In addition to daily wastewater sampling and internal testing, the Company also regularly commissions third-party institutions to conduct water quality testing, in order to ensure that the quality of discharged water complies with local regulations, thereby reducing the impact on the environment.

The total volume of wastewater discharged by Taiwan plants reached 410 million liters in 2024, up 5.98% compared to 2023. The total discharge by overseas plants (Asia) was 22 million liters, down 64.29% compared to 2023, mainly due to the suspension of production of Dongguan Walsin. The Europe site does not use reclaimed water, so total wastewater discharge reached 11,163.46 million liters.

Discharge Water Quality Concentration in 2024

Unit: mg/l

Region	Plant	Item	Biochemical Oxygen Demand	Chemical Oxygen Demand	Suspended Solids	Emission Destination
	Hsinchuang	Water quality concentration testing	4.9~9.3	16.4~31.2	<1.25~3.2	Dahan River
	Plant	Regulatory discharge water standards	30	100	30	
	Yangmei Plant	Water quality concentration testing	Not regulated by environmental law	10.2~12.8	<2.5~4.1	Shezi River
Taiwan		Regulatory discharge water standards	-	100	30	
	Taichung Plant	Water quality concentration testing	16.8~36.3	29.9~76	6.1~16.1	Industrial zone piping
	raichung Plant	Piping standard	250	450	250	
	Yenshui Plant	Water quality concentration testing	Not regulated by environmental law	4.3~66.9	<2.5~7.0	Jishui River
		Regulatory discharge water standards	-	100	30	
	Shanghai Walsin	Water quality concentration testing	Not regulated by environmental law	27~37	12~14	
		Regulatory discharge water standards	=	500	400	
	Jiangyin Walsin (Specialty Alloy	Water quality concentration testing	Not regulated by environmental law	Not regulated by environmental law	Not regulated by environmental law	
	Materials)	Regulatory discharge water standards	-	-	-	
Overseas (Asia)	Changshu Walsin	Water quality concentration testing	Not regulated by environmental law	18~122	Not regulated by environmental law	
		Piping standard	-	500	-	
	Yantai Walsin	Water quality concentration testing	7.2~17.4	Steelmaking 22–48 Steel rolling 0.12–49.3	Steelmaking 17–46 Steel rolling 8–31	
	raiitai VValSIII	Regulatory discharge water standards	350	Steelmaking 500 Steel rolling 200	Steelmaking 400 Steel rolling 100	

Note: 1. The emission amounts in the above table are based on water meter readings.

- 2. Proper wastewater treatment helps make wastewater discharge lower than effluent standards.
- 3. With piping treatment, wastewater at the Taichung Plant meets effluent standards prior to emission.
- 4. The data in the above table are the results for water taken from the Company's plants and analyzed by qualified inspection companies.
- 5. Walsin Precision (Malaysia) has no wastewater treatment and discharge.

Unit: million liters

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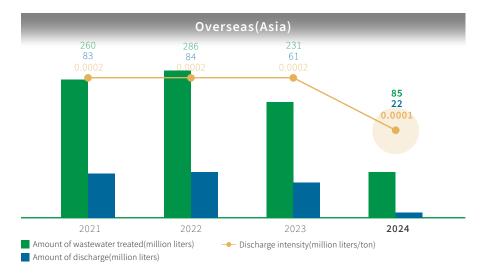
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Wastewater Discharge Intensity

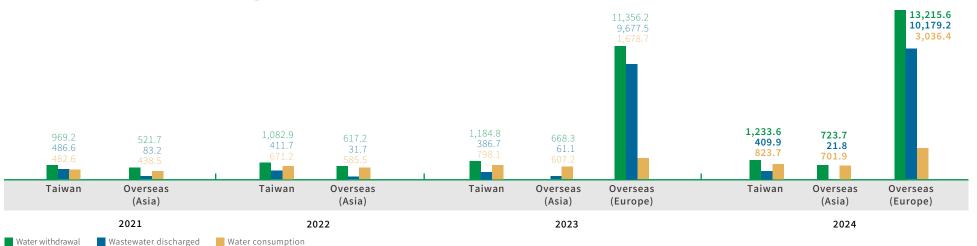


Note: Taiwan plants include the Yangmei Plant, Hsinchuang Plant, Yenshui Plant, and Taichung Plant.



Note: Overseas plants (Asia) include Shanghai Walsin, Jiangyin Walsin (Specialty Alloy Materials), Changshu Walsin, and Yantai Walsin; Walsin Precision (Malaysia) has no wastewater treatment and discharge.

Total Water Withdrawal and Discharge



Note: 1. Taiwan: Yangmei Plant, Hsinchuang Plant, Yenshui Plant, Taichung Plant; Overseas (Asia): Jiangyin Walsin (Specialty Alloy Materials), Shanghai Walsin, Yantai Walsin, Changshu Walsin, and Walsin Precision (Malaysia); Overseas (Europe): 2023: CAS standalone, 2024: CAS on a consolidated basis.

- 2. Walsin Precision (Malaysia) has no wastewater treatment and discharge.
- 3. Water withdrawal = tap water (water supply from third-party facilities) + groundwater + industrial water (water supply from third-party facilities)
- 4. Water consumption calculation method: Water consumption = water withdrawal water discharge
- 5. Water withdrawal by overseas plants (Europe) calculation method: Water withdrawal = tap water (water supply from third-party facilities) + groundwater + industrial water (water supply from third-party facilities), and the water is all fresh water (<1,000 mg/L total dissolved solids)

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1.4 Air Pollution and Waste Management

1.4.1 Air Pollution Prevention

In order to implement pollution control, the best process technology and air pollution control facilities have been adopted. During the plant construction stage, air pollution control facilities are designed in accordance with the Best Available Control Technology (BACT). During the production and operational stages, the optimal air pollution control equipment has been used to reduce exhaust emissions.

The Company requires all plants to fully comply with environmental laws and regulations, ensure that air pollutant emissions meet standards, and continue to implement reduction measures. Controlled air pollutants include nitrogen oxides (NOx), sulfur oxides (SOx), particulate matter (PM), and volatile organic compounds (VOCs). The changes in air pollutant emissions of the Taiwan plants in 2024 are as follows: Compared to 2023, NOx increased by 15.99%, SOx decreased by 42.73%, PM increased by 29.85%, and VOCs decreased by 10.28%. In terms of overseas plants, SOx and NOx emissions in Asia both increased compared with last year, mainly due to Yantai Walsin adding a new rolling mill. In addition, NOx and PM emissions by the Europe plant also increased in 2024 compared to the previous year.

Among the various pollutants, non-emitting VOCs are not items controlled by the competent authority and do not require numerical testing due to their industrial characteristics. In 2024, all other emission concentrations were far below regulatory standards.

Emission Concentration and Regulatory Standard Values

Region	Plant	NOx (ppm)	Standard value (ppm)	SOx (ppm)	Standard value (ppm)	TSP (mg/Nm³)	Standard value (mg/Nm³)
	Hsinchuang Plant	Coefficient method	-	Non-controlled items	-	Coefficient method	-
Taiwan	Yangmei Plant	9~10	150	2~4	100	25~28	100
TalWall	Taichung Plant (Other channels)	33~78	150	2.7~4	100	1	50
	Taichung Plant (Emission channel P004)	4~31	250	-	-	1~45	100
	Yenshui Plant	4~18.35	150	0.4~4.27	100	0.45~2	15
	Shanghai Walsin	Non-controlled items	-	Non-controlled items	-	Non-controlled items	-
Overseas (Asia)	Jiangyin Walsin (Specialty Alloy Materials)	4	150	0~14	50	2.2~8.1	20
	Changshu Walsin	1.5~133	200	1.5~10	100	0.3~13.4	15
	Yantai Walsin	3.4~121	150	0~12	50	0~9.76	10



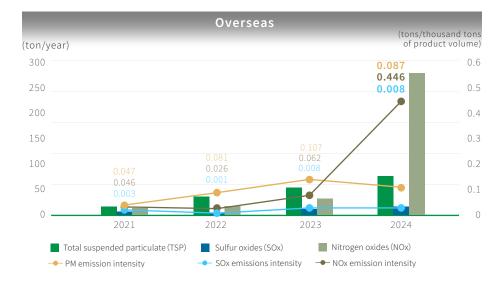
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Total Air Pollutant Emissions and Emission Intensity





Note: 1. The emission factor is based on the emission factors announced by the Ministry of Environment for each industry and process.

2. All test reports are issued by testing units certified by the Environmental Protection Administration.

1.4.2 Waste and Resource Recycle

Walsin Lihwa applies the 4R environmental principles - reduce, reuse, recycle and recover – as the foundation of its waste-management program. In 2024, the overall waste recycling rate of copper wire, wire and cable, and stainless steel products reached 94.43%, in which the non-hazardous waste reuse rate was 98.87%, and the hazardous waste reuse rate was 86.81% (excluding CAS in Europe). Except for some waste that is recycled and reused internally by the Company, the remaining waste is removed or reused by qualified contractors. Waste generated by plants in Taiwan and Mainland China decreased by 8.72% compared to the previous year. However, the overall waste reuse rate of Taiwan plants increased by 1.22% compared with 2023. This was mainly due to all waste acid from the Yenshui Plant being transported to the Taichung Plant for waste acid treatment and reuse, as well as process improvements and adjustments, which effectively reduced dust and sludge output, and thereby achieved the target of the landfill rate in Taiwan being lower than 1%. Walsin Lihwa has continued to reduce waste from the source, recycle and reuse waste in plants, and work with the supply chain to reduce the use of raw materials, thereby reducing the impact of production on the environment. In addition, the Company has established a rigorous waste disposal control and verification mechanism for qualified contractors to ensure legal and proper waste disposal and compliance with environmental protection standards.

Waste Management Goals

Unit: tons/thousand tons of product volume

	2024 Actual	2025 Goals	2030 Goals
Landfill rate of non-hazardous waste	0.19	0.5	DACT
Landfill rate of hazardous waste	0.07	0.2	BACT



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Total Amount of Waste

Unit: tons

Region Taiwan			(Overseas(Asia)			Overseas (Europe)		
Treatment	Non- hazardous waste	Hazardous waste	Total	Non- hazardous waste	Hazardous waste	Total	Non- hazardous waste	Hazardous waste	Total
Recycled(Reused)	64,636.61	56,355.73	120,992.33	76,882.19	16,044.62	92,926.81	25,997.00	4,668.00	30,665.00
Incineration	755.17	7.24	762.41	477.34	4,348.01	4,825.35	195.00	138.41	333.41
Landfill	37.37	124.61	161.98	268.65	6,380.52	6,649.17	56,850.00	140.00	56,990.00
Others	81.11	-	81.11	1.60	141.16	142.76	293.00	7,277.00	7,570.00
Total	65,510.26	56,487.58	121,997.83	77,629.78	26,914.31	104,544.09	83,335.00	12,223.41	95,558.41
Recovery percentage	98.67%	99.77%	99.18%	99.04%	59.61%	88.89%	31.20%	38.19%	32.09%
Incineration percentage	1.15%	0.01%	0.62%	0.61%	16.16%	4.62%	0.23%	1.13%	0.35%
Landfill percentage	0.06%	0.22%	0.13%	0.35%	23.71%	6.36%	68.22%	1.15%	59.64%
Others	0.12%	0.00%	0.07%	0.00%	0.52%	0.14%	0.35%	59.53%	7.92%

Note: 1. In Taiwan and Asia, in addition to the hazardous waste collected from the Yenshui Plant, which is recycled in-plant, and the waste acid in the Taichung Plant and being processed and recycled by the plants (total of 34,190.95 tons), the rest of the hazardous and non-hazardous wastes were processed off-site.

2. Total non-hazardous waste self-processed and recycled in the European plant was 7,713 tons. The rest of the hazardous and non-hazardous wastes were processed off-site.

Waste Processing
Unit: tons

	2021		2022		2023			2024		
Item	Taiwan	Overseas (Asia)	Taiwan	Overseas (Asia)	Taiwan	Overseas (Asia)	Overseas (Europe)	Taiwan	Overseas (Asia)	Overseas (Europe)
Total amount of waste	157,669	41,065	158,345	75,912	173,661	74,515	83,490	121,998	104,544	95,558
Product output	948,618	397,647	828,147	445,571	757,046	269,214	168,889	799,694	303,959	321,983
Waste intensity	0.17	0.10	0.19	0.17	0.23	0.28	0.49	0.15	0.34	0.30

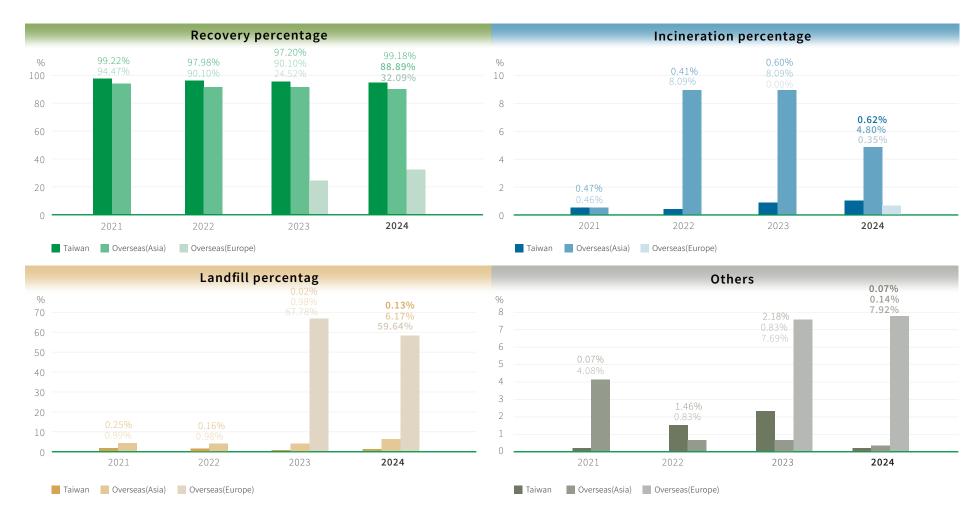


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Note: Taiwan plants include the Yangmei Plant, Hsinchuang Plant, Yenshui Plant, and Taichung Plant; overseas plants (Asia) include Shanghai Walsin, Yantai Walsin, Changshu Walsin, Jiangyin Walsin (Specialty Alloy Materials), and Walsin Precision; overseas plants (Europe) include CAS.

Compliance with Environmental Regulations

Regulatory Compliance

The Company did not receive any major environmental fines (more than NT\$1 million) under Financial Supervisory Commission(FSC) regulations in 2024. However, Three minor deficiencies were discovered and immediately corrected, and operating procedures and personnel management were further strengthened. Although the steel and surface treatment industry is a key subject of inspection by the central and competent regulators, there were no wastewater or waste leakage incidents in the Company's plants in 2024, nor were there any incidents of production suspension or residents' protests due to pollutant leakage. In the future, the Company will continue to implement self-management in accordance with the environmental management system framework. The Environmental Safety and Health Management Committee will inspect the implementation of environmental laws and regulations in each plant on an as-needed basis, strengthening on-site inspections to ensure compliance and effectively prevent pollution.



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Environmental Deficiencies in 2024

Date of Disposition	March 15, 2024	Unit	Environmental Protection Bureau, Tainan City Government				
Penalty	An audit found that the backup front-end control equipment A305 for discharge pipe P306 of the metal surface cleaning procedure (M03) was not activated and there were no records of its operation, resulting in the control equipment failing to effectively handle waste gas, thus violating the Air Pollution Control Act.						
Response measures	 Received approval from the Environmental Protection Bureau to modify washing tower A305 into a mist eliminator and were removed the original agent pipeline and pump. Submitted an application to the Environmental Protection Bureau on February 2 to change to a stationary pollution source (M03), which is currently in the trial phase of approval. 						
Fine amount	NT\$472.8 thousand	NT\$472.8 thousand					
Date of Disposition	March 15, 2024	Unit	Environmental Protection Bureau, Tainan City Government				
Penalty	An audit found that the d the Air Pollution Control A		e arc furnace (M01) have not been replaced for more than 1 year, thus violating				
Response measures			an City Government conducted a follow-up on-site inspection on May 30, 2024, are issue and closed the case.				
Fine amount	NT\$100 thousand						
Date of Disposition	April 10, 2024	Unit	Environmental Protection Bureau, Tainan City Government				
Penalty	The actual SOx emissions of the Yenshui Plant in 2022 exceeded the approved limit, thus violating the Air Pollution Control Act.						
Response measures	An application for a chang	An application for a change to the emission limit has been completed.					
Fine amount	NT\$160 thousand						





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■ 1.5 Ecology and Biodiversity

As ecological protection is an important basic corporate responsibility for sustainable development, Walsin Lihwa ensures its business activities can maintain ecological balance and species diversity as much as possible in every step, including plant site selection, plant development and construction, environmental impact assessment, and environmental protection compliance, thereby helping to 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 Sustainability Office performs relevant duties and reports its planning for biodiversity to the Board of Directors on a regular basis. In 2024, Walsin Lihwa specially organized an environmental education seminar on indigenous species and alien species, as well as a seminar on bees, thereby improving employees' understanding of the geology, hydrology, and ecology surrounding the Company's plants, and reminding everyone that the reduction of pollen-producing plants, climate change, and pests pose severe challenges to the survival of bees, which will further affect the entire ecosystem. The Company also shoots documentaries and purchases farm produce to share with employees, such as taking action to support kiwi fruit farmers who promote eco-friendly grass cultivation.

The biodiversity risk assessment uses biodiversity risk assessment tools to help the Company evaluate the degrees of importance of natural environment protection at its business locations, as well as interaction with local natural environments to scrutinize individual plants' dependence and impact on their respective environments, and take corresponding protection measures based on local environments.

Indonesia Morowali Industrial Park (IMIP) Sustainable Development Foundation

As an important member of the IMIP Sustainable Development Foundation, PT. Walsin Nickel Industrial actively participates in the protection of biodiversity in local and surrounding areas, and is committed to the planting of mangroves, transplanting coral reefs, and conservation of habitats for rare species. It planted mangroves in several villages and worked with communities to enhance the survival rate of saplings. It has planted 43,082 mangrove saplings over the past 3 years. The coral reef transplantation project was implemented in Mbokita Village on Sombori Island. Approximately 1,200 reef substrates were placed, and a monitoring mechanism was established. In response to Earth Day, it planted 1,000 trees around the port of Fatufia Village and organized educational roadshows on International Mangrove Day to raise the environmental protection awareness of communities and enterprises. In addition. IMIP actively participates in the protection of the habitat of the Tonkean macaque, an endemic species, in Sulawesi Province, and enhances their habitat conditions by planting fruit trees, monitoring the environment, and rescuing wild animals. Tonkean macagues and sea hawks were successfully released into the wild in collaboration with the Central Sulawesi Nature Protection Center in the first half of 2024.

CAS Aosta Plant in Italy

Walsin Lihwa is fully aware that bee colonies play a key role in overall biodiversity. In 2022, CAS in Italy launched a bee farm restoration project around the Aosta Plant to create and provide a safe habitat for bees. As of 2024, 13 healthy and thriving bee colonies have been nurtured to help pollinate the surrounding farmlands, forests, and vineyards, effectively promoting the diversity of local ecosystems. Professional beekeepers continue to take care of the bee farms. Even in the face of challenges such as climate change, this project effectively ensures the stable growth of bee colonies. Each year, CAS provides wild flower honey, with a unique flavor featuring the fragrance of chestnuts and blackberries, as gifts to employees. CAS also launched the "tree of heaven honey," which is a golden amber honey with the fragrance of sweet pastry, in 2024 and distributed over 1,300 jars of honey as a gift to encourage employees.







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Objectives



Maintain a Frequency-Severity Indicator (ESI) < 0.4



Achieve zero contractor occupational injuries



Support disadvantaged groups and promoting cultural, educational, and environmental conservation projects

Highlights



1/3 of female employees in Taiwan and Mainland China have STEM backgrounds in Taiwan and Mainland China



Female managers accounted for 19.5% of total management



Winner of the 1111 Job Bank's Happy Enterprise Gold Award in the manufacturing sector for **3** consecutive years.



Zero incidents of strike, suspension, or related events in 2024



Education and training: > **274,000** training hours; > NT\$49 million invested



HR Asia **Best Companies** to Work for in Asia



Human Rights Training: 5.208 total hours

Digital Talent Training: Promote 3 major themes in digital technology; organized 21 digital technology empowerment training sessions with 701 participants; 21 teams presented digital technology achievements



NT\$28.95 million Sponsored to the IMIP Sustainable Development Foundation



Bronze Award at the Sustainable Micro Film Awards (Multiple Choice of Kiwi Fruit)



> 1 million views for public interest videos (The Shutter, Voices of Immigrants Behind the Lens)







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Sustainability Promotion Strategy: Uphold Walsin Lihwa's philosophy of full engagement to cultivate top-tier talent and create a happy workplace.

Implementation Guidelines: Foster a happy workplace, improve labor management relationships, and increase employees' engagement and identification with the company. Support talent development and career growth planning to help employees learn, grow, and achieve self-actualization.

Mid- and Long-Term Goals: Committed to providing an engaging environment that increases employees' understanding, identification, and cohesion with the company and their departments, fosters generational succession, and strengthens talent development, competency advancement, and diverse career pathway planning

2024 Objectives	2024 Results	2025 Objectives
Fostering a happy workplace and improving labor management relationships	 Workplace friendliness: Walsin Lihwa plants actively improved facilities and environmental quality in 2024 to enhance working environments. 42 facility and environmental improvement projects were completed across 9 plants in Taiwan and Mainland China. Communication friendliness: Quarterly labor-management meetings held at all plants in Taiwan. 8 large-scale PTA events and 60 group meetings enhanced cohesion and exchanges among employees. System friendly: 21 digital training courses, with a total of 701 participants. 1 SEP digital technology presentation with 21 teams participating, demonstrating the innovation and digital technology applications at each plant. 	Workplace friendliness: Continue promoting environmentally friendly practices at all plants Launch an environmental inspection app at the Taipei Head Office to automate notifications and approvals. Communication friendliness: -Design onboarding and team-building activities for new employees -Maintain regular labor-management meetings to promote communication and cooperation.
Increasing employees' engagement and identification with the company	 Life care: Holiday events, bento meals, marathons, family education activities, birthday gifts, and employee trips, including for migrant workers. Physical and mental care Health promotion: On-site physicians, organized 151 health promotion seminars and activities with a total of 5,562 participants. Support for overseas employees: Regular communications with employees, including birthday and holiday greetings, and Lunar New Year gift boxes. Happiness seminar: 18 seminars on handicrafts, lifestyle, stress relief, environment, and sports. 1 movie screening, 1 vegetarian day, and 2 organic market events. 	 Life care: Organize cultural festival activities for local foreign, and migrant employees. Physical and mental care: Provide health lectures, club activities, family support, overseas employees support, physical and mental wellness lectures, blood donation drives, and organize PTA new employee care activities. Happy workplace: Promote a happy workplace through wellness initiatives (e.g. weight loss initiatives, birthday leave). Employee needs: Use surveys and feedback to Design policies that better meet employees' needs.
Enhancing corporate culture and encouraging employee participation	 Held 6 sessions of "The Founder's Words of Wisdom" with 96 participants. Held 6 sessions of "Connecting with People Reading Club" with 96 participants. Conducted 10 annual promotional seminars in Taiwan and 4 in Mainland China, with a total of 840 participants. 	 Employee happiness: Use seminars and events such as the Comfort Bar, Appreciation Line, Family Chat etc. Supportive work environment: Use reading clubs, plant-wide exchange sessions, and annual lectures to inspire learning, improve organizational capabilities, and enhance teamwork. Co-learning within the Group: Promoted by sharing values, functional expertise, and financial knowledge to support collective growth.



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2024 Objectives	2024 Results	2025 Objectives
Promoting scientific methods and improving the management capabilities	 Continued promotion and refinement of TPS courses: Hsinchuang Plant organized the Floor Management Development System (FMDS) course with 13 participants, covering quality assurance, technology, logistics, and high-efficiency manufacturing. Yangmei Plant organized Kiken Yochi Training (KYT, or hazard prediction training) courses with 24 participants to enhance employees' professional skills and safety awareness. 	· Implement training for entry-level managers and organize technical achievement presentations for the Stainless Steel Business Group.
Cultivate systematic thinking and business management knowledge	 Supervisors' management capabilities and business insights: Held 4 human rights education and training seminars, recorded and uploaded to the online learning platform. Uploaded 12 classes offered by CommonWealth Leader Campus to the internal platform. 23 employees participated in 5 EMBA classes and presented their results. Bonus system for compulsory courses: 1,767 employees completed the courses, an increase of 132% compared to 2023. 	 Strengthen management capabilities and business vision through the 70/20/10 model, promote digital self-learning, and continuously improve the learning platform's performance and content. Implement cross-generational communication and management training, deepen organizational development, introduce annual reward mechanisms for compulsory courses, implement reminders for employee training, and improve the courses' completion rates. Use Employee Engagement Survey insights, to optimize onboarding and training processes. Raise awareness of unconscious bias, promote cultural diversity, equity, and inclusion in the workplace.



Workplace Safety

Sustainability Promotion Strategy: Prioritize employee safety and health by establishing comprehensive policies and enforcement mechanisms across all plants. Implementation Guidelines: Ensure labor safety and health while creating a safe working environment.

Mid- and Long-Term Goals: Shape a safety culture by strengthening worker consultation and communication, and integrate intelligent safety management to achieve the vision of "zero accidents."

2024 Objectives	2024 Results	2025 Objectives
Maintain a Frequency-Severity Indicator (FSI) below 0.4 and achieve zero contractor occupational injurities	 Contractor FR: 8.26 (2 contractor fatalities) Company-wide FSI: 1.392 (1 employee fatality in Indonesia) Continued promotion of ISO 45001 for comprehensive safety management Regularly reviewed occupational safety projects, risk assessments, and improvement measures. 	 Produce short videos on high-risk operations to raise employees' safety awareness. Strengthen safety training to enhance the hazard recognition among relevant personnel and managers. Conduct multi-levels inspections to monitor equipment, environments, and behavior. Introduce AI and IoT technologies to improve safety management and create safer work environments.



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Sustainability Promotion Strategy: Promote mutual development with local communities to expand social impact.

Implementation Guidelines: Engage in charitable efforts in 4 areas: Corporate citizenship, care for the underprivileged, environmental protection and preservation, and community outreach.

Mid- and Long-Term Goals: Strengthen the integration of public welfare themes with core business operations.

2024 Objectives	2024 Results	2025 Objectives	
Corporate Citizenship 9 projects supporting culture, education, ESG, and economic development	 Completed 10 projects Supported Taiwan's creative arts, professional skills competitions, the Center for Corporate Sustainability, and university-industry collaboration 	 Continue supporting Taiwan's arts, cultural development, children's arts, and traditional opera. Maintain partnerships with universities (e.g. National Taiwan University, National Cheng Kung University, and Chung Yuan Christian University.) Continue sponsoring and participating in ESG and industry exchange initiatives. 	
Care for the Underprivileged 3 projects and 1 video	 Completed 3 projects Supported the SaySiyat singing team Delivered video courses at the New Taipei Municipal Shuang-Xi High School Implemented the Light Up the Corners throughout Taiwan Project, Produced 1 public welfare video and digital feature. 	 Collaborate with the Give Child A Hand Association on public welfare projects. Launch Phase 2 of the Light Up the Corners throughout Taiwan Project 5-year plan to support children and disadvantaged groups 	
Environmental Conservation 2 projects and 6 events	 Completed 2 conservation and contracted planting projects with small-scale farmers Held 6 ecological conservation activities. 	 Support Huabao Conservation and Breeding Co in species protection and carbon sink projects. Promote contracted planting with small-scale farmers, food and agriculture education, and conservation seminars. 	
 Implemented 2 education programs for students (16,489 students participated in the Mandarin Daily News and bilingual newspaper reading program) Organized 2 newspaper reading volunteer activities Implemented 12 community environmental improvement projects. 		 Expand newspaper reading and tutoring programs for elementary and junior high school students. Promote volunteer-based reading activities and promote the community development around Walsin Lihwa plants. 	



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2.1 Human Rights and Talent Management Policy

2.1.1 Human Rights Policy

Walsin Lihwa complies by the laws and regulations of each operating location 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) human rights conventions and human rights protection standards recognized by the international community, and strives to be fair and reasonable and treats every worker—permanent, temporary, migrant, intern or contractor—with respect, and extends the same principle 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)
- United Nations 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 enterprise organizations associated with the Group and that the Group has substantial control over, as well as suppliers, contractors, partners (customers, communities) and other stakeholders. The Company is committed to preventing any human rights violations. Furthermore, Walsin Lihwa also listens to the views of stakeholders through diversified, open, and two-way communication channels, and regularly discloses them publicly on the Company's official website and sustainability reports. At the same time, the Company briefs all new employees on the policy during onboarding 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.

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 (UNGC), and the International Labor Organization Convention, and is committed to ensuring that every individual within and outside the Company is treated equally and with dignity. The Company's human rights management process includes the establishment of human rights policies, the formulation of strategies for mitigation and remedial action, training on human rights issues, and the operation of grievance mechanisms. 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 Remedial Measures	Effectiveness of Implementation
Healthy and safe work environment	Maternal Employee Health Protection Plan	Evaluate according to the work environment and the Operation Hazard Assessment Form	Female employees	Work adjustments have been made based on communicated and identified risks, and breastfeeding rooms and dedicated parking spaces are provided.	Protective actions for 12 employees in 2024 are in progress. The on-site medical services doctor frequently and regularly tracks the employees' status before, during, and after pregnancy. Their progress is regularly reported to the Health and Safety Committee.



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Issue of Concern	Target Topic	Risk Assessment	Stakeholders	Mitigation and Remedial Measures	Effectiveness of Implementation
Healthy and safe work environment	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 employee that submitted the complaint, the President appoints a project manager to investigate and implement countermeasures.	Well-controlled, therefore there were no risks.
	Monitoring the working environment	Conduct sampling, monitoring, and improvement of employees' working environments every 6 months		Tracked through government regulations and standards.	Monitoring found no workplace environments in violation of standards.
	Ergonomic Musculoskeletal Protection Plan	Conduct assessments according to work environments and the operation hazard assessment form and employee survey		Conducted professional assessments based on identified risks and provided relevant operational adjustments as needed.	All assessment results indicated low risk, with no hazardous incidents reported.
No forced labor	Discourage overtime work and respect employees' off time	The HR department regularly monitors employee overtime hours	Employees	Overtime work is discouraged at labor-management meetings and the Company's quarterly meetings.	Well-controlled based on the working hours standards for peak and low seasons of production.
	Overload hazard risk assessment	Employee overload risk level 3 Percentage of employees at risk: 1.23% Note		Formulated an overload hazard prevention plan, conducted consultations on health education, adjusted operations, and tracked improvements based on evaluation results.	Well-controlled, therefore there were no risks.
No employment of child workers	Supplier Management Commitment: Signing of the Supplier's Undertaking(Human Rights and Environmental Sustainability Commitment)	Integrated into supplier evaluation standards for review	Employees Suppliers	Age checks are conducted at the time of recruitment to ensure the candidate is at least 15 years old, in accordance with the law.	Well-controlled, therefore there were no risks.
Eliminate discrimination	Follow the spirit of the Modern Slavery Act and monitor its development	Check whether foreign workers are being treated unfairly in their living and working conditions	Migrant workers	Foreign workers enjoy the same benefits as regular employees.	
Freedom of association and the right to collective bargaining	Ensure the effective operation of labor unions and labor-management communication mechanisms	Ensure that employee grievance channels are safe and open, 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: The scope of the management plans includes plants in Taiwan



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Training on Human Rights

In 2024, a total of 5,208.22 hours (4 courses) of human rights-related education and training were implemented for internal employees. including the "Promoting a Friendly Workplace", "An Introduction of Taiwan Personal Data Protection Act", and "Workplace misconduct", as well as the "Human Rights Training" courses organized for management . The training was also promoted during supplier conferences.

Human Rights Agreements and Guarantees

Walsin Lihwa protects the human rights of employees through the labor union and labor-management meeting systems; 100% of employees who are eligible are protected by the labor union. Suppliers are bound by the "Supplier Management Commitment".

Protecting the Human Rights of Non-standard Workers

Walsin Lihwa mainly divides the hiring of non-standard workers into 2 categories: temporary workers and outsourced workers. The human rights of these non-standard workers are managed through the Company's hiring management regulations and the temporary worker and outsourced worker system. These workers enjoy the same hiring conditions as formal employees at Walsin Lihwa, except for the overall benefits package. They have the same basic protections, such as labor and health insurance.

Labor Union and Labor-Management Communication Channels

Walsin Lihwa established a labor union in November 1976 to pursue improvement of working conditions and promote smooth communication between labor and management. The Company's policy announcements and employees' opinions and suggestions are communicated through 2-way direct communication between employer and employees. A labor union representative meeting is held annually, and quarterly labor-management communication and coordination meetings are held for union representatives. Various issues related to employees are discussed at the meetings, and company representatives are present for communication. Plants are equipped with labor union meeting rooms, 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 63 model labor representatives were selected in 2024.

Walsin Lihwa has also set up various channels for grievances. In addition to holding quarterly labor-management consultation meetings, weekly or ad hoc meetings may be held as an important channel for employees to communicate their rights and interests, to ensure regular interaction between labor and management. The discussion topics at labor-management consultation meetings include discussions on personnel recruitment and departures, the company's business development and talent development needs, wages and benefits, working environments, and grievance matters. All of the Company's operating activities and major changes to employees' work are in compliance with the requirements of the Labor Standards Act. Employees may exercise their rights in accordance with the Company's policies and procedures, and can also report to labor negotiation representatives to obtain rights and interests protection, thereby maintaining good interactions between labor and management.

Walsin Lihwa 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.





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Walsin Lihwa Union Overview



Labor union established in 1976



An annual meeting is held every year, and union directors and supervisors are re-elected every 4 years.



The labor union and directors and supervisors meet every quarter to discuss employee-related issues.

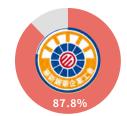


Seminars are held regularly.

100% of employees in Taiwan who are eligible are protected by the labor union.



Employees are members of the labor union in Taiwan



Employees are members of the labor union in Mainland China





Proportion of Labor Representatives in Labor-Management Meetings and Occupational Safety and Health Committee

Labor-management meeting

Occupational Safety and Health Committe



one-half labor representatives



one-third labor representatives

2.1.3 Human Resources Policies and Human Resources Structure

Global Employment Status

As of the end of December 2024, Walsin Lihwa has a total of 11,612 employees worldwide, most are regular employees (9,556 male, 1,397 female); 2.4% are contract employees (229 male, 50 female); and approximately 3.3% are foreign migrant workers (378 male, 2 female). Walsin Lihwa has continued to expand the Company's global business scope as well as the scale of its domestic and overseas operations. Through planned investments and collaborations, Walsin Lihwa has realized its strategic vision, expanded its brand value, and continued to increase the total number of employees worldwide.



11,612 total employees worldwide

10,163 male **87.5**%

1,449 female **12.5**%

Total Employees Worldwide in 2024

Benchmark Date 2024/12/31

Degular F	Con		ract	Migrant Workers	
Regulai Li	ilipioyees	Emplo	oyees	Migrant	WOIKEIS
Male	Female	Male	Female	Male	Female
2,219	398	10	4	337	0
2,166	440	48	30	0	0
3,398	319	23	0	0	0
91	23	31	0	0	0
1,682	217	117	16	1	2
9,556	1,397	229	50	378	2
	Male 2,219 2,166 3,398 91 1,682	2,219 398 2,166 440 3,398 319 91 23 1,682 217	Male Female Male 2,219 398 10 2,166 440 48 3,398 319 23 91 23 31 1,682 217 117	Male Female Male Female 2,219 398 10 4 2,166 440 48 30 3,398 319 23 0 91 23 31 0 1,682 217 117 16	Regular Employees Employees Migrant Male Female Male Female Male 2,219 398 10 4 337 2,166 440 48 30 0 3,398 319 23 0 0 91 23 31 0 0 1,682 217 117 16 1

- Note: 1. Total number of employees worldwide in 2024 plus employees at Walsin Energy Cable System Co., Ltd. (Taiwan region); Hangzhou Futong and Hangzhou Walsin (Mainland China region); and PT. Walsin Everising Specialty Steel Indonesia (Indonesia region).
 - 2. Migrant workers refer to only non-native direct employees of Taiwan and European plants. The data includes employees without guaranteed working hours.
 - 3. In addition, the average monthly number of non-employees (contractors) who entered plants in 2024 was approximately 5,554 in the Taiwan region, 2,010 in the Mainland China region, and 258 in the Italy region.
 - 4. Number of temporary workers in 2024: There were 99 temporary workers in Mainland China, including production line employees, personnel in retail venues, and logistical management personnel. There were no temporary workers in other regions.
 - 5. Among regular employees, the labor laws of the regions where overseas plants are located sometimes differ from that of Taiwan, in which labor contracts have a fixed term and must be periodically re-signed, and after the expiration of the contract they will sign non-fixed-term contracts. However, regardless of the type of contract signed, the employee is still considered a full-time employee at Walsin Lihwa.
 - 6. The Company has no part-time employees.



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Age Structure of Managerial Positions and Regular Employees

Because Walsin Lihwa's wire and cable as well as stainless steel operations fall in the heavy manufacturing industry category, the workforce at Walsin Lihwa's plants consists primarily of male workers, and therefore the percentage of male workers is higher than that of female workers. Managers are mainly between the ages of 41 and 50; regular employees are mainly under the age of 30. Wire and cable and stainless steel are technology and labor intensive industries. In terms of educational background, most managers graduated from university, while regular employees mainly graduated from senior high school or lower. Factoring in prevalent legal prohibitions on the employment of child labor, Walsin Lihwa complies with local labor laws and regulations in the areas where it has a business presence and does not employ anyone under 16 years old. Walsin Lihwa Taiwan has 29 employees with mental or physical disabilities in the Taiwan region, amounting to approximately 1% of the total number of employees in Taiwan.

By Age

Age dist	ribution of all employees	30 and younger	Percentage	31~40	Percentage	41~50	Percentage	51 and older	Percentage	Total
	Non-managerial	600	22.8%	1,013	38.5%	681	25.9%	336	12.8%	2,630
Taiwan	Entry-level Management	11	5.6%	73	37.4%	67	34.4%	44	22.6%	195
Idiwali	Middle Management	0	0%	19	17.6%	43	39.8%	46	42.6%	108
	Senior Management	0	0%	4	53.3%	19	25.3%	52	69.4%	75
	Non-managerial	607	25.7%	837	35.5%	515	21.8%	401	17%	2,360
Mainland	Entry-level Management	13	8.9%	89	53.9%	46	27.9%	17	10.3%	165
China	Middle Management	3	2.4%	42	33.9%	58	46.8%	21	16.9%	124
	Senior Management	0	0%	8	22.9%	13	37.1%	14	40%	35
	Non-managerial	2,161	60.2%	1,088	30.3%	301	8.4%	40	11.1%	3,590
Indonesia	Entry-level Management	14	11.6%	63	52.1%	30	24.8%	14	11.6%	121
muonesia	Middle Management	2	9.5%	6	28.6%	8	38.1%	5	23.8%	21
	Senior Management	0	0%	2	25%	1	12.5%	5	62.5%	8
	Non-managerial	43	35.2%	35	28.7%	26	21.3%	18	14.8%	122
Malaysia	Entry-level Management	0	0%	4	25%	6	37.5%	6	37.5%	16
Malaysia	Middle Management	0	0%	0	0%	3	75%	1	25%	4
	Senior Management	0	0%	0	0%	0	0%	3	100%	3
	Non-managerial	216	14.3%	411	27.2%	438	29%	447	29.5%	1,512
te a lo	Entry-level Management	47	11,6%	111	27.5%	151	37.4%	95	23,5%	404
Italy	Middle Management	3	4.2%	9	12.5%	39	54.1%	21	29.2%	72
	Senior Management	0	0%	2	4.3%	19	40.4%	26	55.3%	47
otal			32.0%	3,816	32.9%	2,464	21.2%	1,612	13.9%	11,612



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By Education

Education	distribution of all employees	Senior high school or lower	Junior college	Bachelor's	Master's	PhD	Total
	Non-managerial	1,101	268	847	396	18	2,630
Taiwan	Entry-level Management	11	25	75	82	2	195
Taivvaii	Middle Management	Ο	17	26	62	3	108
	Senior Management	2	4	15	48	6	75
	Non-managerial	1,199	647	477	37	0	2,360
Mainland	Entry-level Management	37	40	85	3	0	165
China	Middle Management	4	37	74	8	1	124
	Senior Management	0	4	22	7	2	35
	Non-managerial	2,799	178	608	5	0	3,590
Indonesia	Entry-level Management	82	15	22	2	0	121
muonesia	Middle Management	11	5	5	0	0	21
	Senior Management	0	3	5	0	0	8
	Non-managerial	95	11	16	0	0	122
Malayaia	Entry-level Management	4	5	7	0	0	16
Malaysia	Middle Management	1	1	2	0	0	4
	Senior Management	0	1	2	0	0	3
	Non-managerial	1,208	144	154	6	0	1,512
ta a la c	Entry-level Management	243	8	145	6	2	404
Italy	Middle Management	15	5	47	5	0	72
	Senior Management	10	5	26	4	2	47
Total			1,423	2,660	671	36	11,612

Note: 1. The employee structure at the following Walsin Lihwa sites is disclosed: Taiwan region: The Taipei Head Office, Yangmei Plant, Hsinchuang Plant, Yenshui Plant, Taichung Plant, Walsin Energy Cable System; Mainland China region: Walsin China Investment, Dongguan Walsin, Shanghai Walsin, Yantai Walsin, Changshu Walsin, Jiangyin Walsin, Jiangyin Walsin (Specialty Alloy Materials), Nanjing Walsin (Real Estate), Hangzhou Futong, Hangzhou Walsin; Malaysia: Walsin Precision; Indonesia: PT. Walsin Lippo, PT. Walsin Nickel Industrial, PT. Sunny Metal Industry, PT. Walsin Everising Specialty Steel Indonesia; Italy: Cogne Acciai Speciali (CAS).

2. Entry-level management refers to management positions from subsection (inclusive) to section level, middle management refers to department level management positions, and senior management refers to management positions at division level (inclusive) and above.



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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 2024, 2,243 new employees were hired to meet the company's overall operational needs and promote employment development opportunities. The total number of employees at Walsin Lihwa increased from 4,931 in 2019 to 11,612 in 2024, and the number of new employees also increased from 888 to 2,243, demonstrating a 153% growth rate. Among them, the proportion of new employees under the age of 30 (inclusive) reached 59%, which has constantly injected new energy and vitality into Walsin Lihwa's innovative culture.

2024 New Recruits and Employee Turnover Worldwide

		New Em	nployees	Employee Turnover		
		Number of People	Ratio	Number of People	Ratio	
Ву	Female	251	17.3%	269	18.6%	
Gender	Male	1,992	19.6%	1,810	17.8%	
	51 and older	68	4.2%	174	10.8%	
D A = . =	41-50	177	7.2%	218	8.8%	
By Age	31-40	667	17.5%	613	16.1%	
	30 and younger	1,331	35.8%	1,074	28.9%	
	Senior management	17	10.1%	16	9.5%	
Ву	Middle management	29	8.8%	35	10.6%	
Position	Entry-level management	55	6.1%	49	5.4%	
	Non-managerial positions	2,142	21.0%	1,979	19.4%	
	Taiwan	450	15.0%	426	14.2%	
D. Dl	Mainland China	668	24.9%	644	24.0%	
By Plant Region	Indonesia	804	21.5%	782	20.9%	
	Malaysia	41	28.3%	36	24.8%	
	Italy	280	13.8%	191	9.4%	

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 Employees and Turnover



Statistics on Employee Turnover Numbers

In 2024, the total employee turnover at Walsin Lihwa was 2,079 employees, and the turnover rate in each region was: 14.2% in Taiwan, 24% in Mainland China, 20.9% in Indonesia, 24.8% in Malaysia, and 9.4% in Italy. Due to the Company's policies in the previous year, the turnover rate in Mainland China and Indonesia increased, though the overall turnover rate in 2024 dropped significantly. In addition, since 2018, the Company's voluntary turnover rate has remained below 15%, fully demonstrating the Company's tangible 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 determine whether there are internal positions suitable for transfer. In addition, for employees who leave the Company 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.



Note: The data for 2024 includes, for the first time, employees at Walsin Energy Cable System Co., Ltd. (Taiwan region); Hangzhou Futong and Hangzhou Walsin (Mainland China region); and PT. Walsin Everising Specialty Steel Indonesia (Indonesia).



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2.1.4 Embrace Diversity, Create Inclusion, and Maintain Equality - Manpower Diversity Indicators

Walsin Lihwa firmly believes that diversity is key to corporate sustainability and success. The Company is committed to creating an inclusive and respectful work environment. Every employee is given the environment to fully demonstrate their unique values and talents regardless of gender, nationality, age, or religious background.

In terms of gender diversity, despite the relatively low proportion of female employees caused by the nature of the industry, Walsin Lihwa still adheres to the principle of gender equality, provides equal job opportunities and treatment, and values the abilities and contributions of every employee, thereby encouraging employees to maximize their potential.

As the Company's global deployment continues to expand, Walsin Lihwa also deeply recognizes the diverse perspectives and innovative momentum brought by different countries and cultures. The Company not only actively recruits talent from all over the world, but also encourage employees to engage in cross-cultural dialogue and collaboration, working together toward a more diverse and inclusive corporate culture. The various manpower diversity indicators in 2024 are as follows:

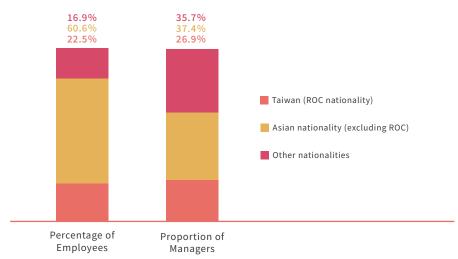
Status of Women in Managerial Positions



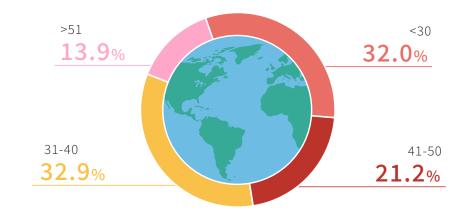
Note: 1. Management refers to management positions at subsection level (inclusive) and above.

- 2. Entry-level management refers to management positions from subsection (inclusive) to section level.
- 3. Middle management refers to department level management positions.
- 4. Senior management refers to management positions at division level (inclusive) and above.

Diversified Employee Nationalities



Age Distribution of Employees Worldwide





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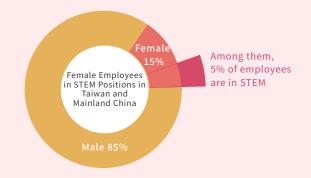
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Walsin Lihwa is well aware of the critical importance of technological innovation to industrial development. Employees in science, technology, engineering, and mathematics (STEM) positions are the core that drives Walsin Lihwa's technology forward. Through technological innovation, the Company seeks to achieve greater breakthroughs in sustainable development and make positive contributions to society. These employees 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 nature of Walsin Lihwa's industry, there are fewer female employees than male employees. In 2024, female employees in the Taiwan and Mainland China regions accounted for about 15%. However, one-third of female employees were in STEM positions. It can be seen that, with governments worldwide vigorously promoting the development of STEM personnel, the number of female employees in STEM positions at the Company has reached a relatively significant proportion and is increasing year by year, thus demonstrating the Company's diversified cultivation of professionals to cope with the rapidly developing high-tech world of the future.



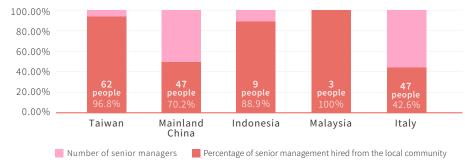
Proportion of Management Hired from the Local Community

Walsin Lihwa employs local employees in all regions, which not only provides more effective management of the local business and enhances the stability of the Company's operation, but also increases costeffectiveness in the region as well as improves the local employment rate and standard of living. The Company has many different nationalities in the Italy region, resulting in more nationalities being represented in the management instead of being dominated by one single nationality. Therefore, the proportion of local residents in the management is relatively low. For other regions, such as Taiwan, Mainland China, Indonesia, and Malaysia, more than 70% of senior management are local employees.

Number of Managers/Non-Managerial Personnel in Each Region



Proportion of Senior Management Hired from the Local Community



- Note: 1. The term "local community" refers to the country where the organization operates (and where the employees work), and the percentage is calculated based on whether the nationality of the employees is equivalent to the local nation.
 - 2. Management refers to management positions at subsection level (inclusive) and above, and senior management refers to managerial positions at or above the division level
 - 3. The number of managers in Taiwan includes 21 Taiwanese nationals stationed in Mainland China and Taiwanese nationals stationed in Indonesia.



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2.2 Talent Cultivation and Empowerment

2.2.1 Training Indicators and Results

Average Training Hours



Note: Training outcomes are disclosed for the following factory areas: Taiwan region: The Taipei Head Office, Yangmei Plant, Hsinchuang Plant, Yenshui Plant, Taichung Plant, Walsin Energy Cable System; Mainland China region: Walsin China Investment, Dongguan Walsin, Shanghai Walsin, Yantai Walsin, Changshu Walsin, Jiangyin Walsin, Jiangyin Walsin (Specialty Alloy Materials), Nanjing Walsin (Real Estate), Hangzhou Walsin; Malaysia: Walsin Precision; Indonesia: PT. Walsin Lippo; Italy: Cogne Acciai Speciali (CAS).

Regarding Walsin Lihwa's talent development system, the Company provides comprehensive and diverse training methods based on the differing natures of each position, thereby meeting employees' diverse requirements in their career development. The Company invests a large number of resources in education and training, and a dedicated team is responsible for planning and implementing annual training courses. Every year, the effectiveness of training is confirmed through a cycle of determining training requirements through surveys, planning courses, implementing courses, and post-course satisfaction surveys.

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 promotes it to all employees in the Company. Employees can instantly and quickly look up courses and their 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 enhance their professional abilities.

Moreover, a variety of courses have been designed, targeting key issues in corporate transformation, career planning, talent cultivation, and organizational culture. These courses include, but are not limited to, legal compliance, corporate governance, information security, technology applications, project management, governance and leadership, and foreign language learning. For more information, please see the Comparison of Annual Major Issues and Training Courses below. In 2024, 53,146.8 training hours were utilized for online learning through Walsin Lihwa Academy, for a total of 274,227 hours of educational training, with an average of 24 hours of training per employee. The total investment in education and training has exceeded NT\$49 million.



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Annual Major Issues and Training Courses

Sustainability Topic	Course Titles	Numbe of Participants	Total Training Hours
Corporate Governance and Legal Compliance	The Taiwan Intellectual Property Management System (TIPS) + Intellectual Property, Confidential Document Protection and Work Applications, the Personal Data Protection Act, Anti-Money Laundering	9,153	7,373
Business Performance	Optical Inspection Education and Training, Supplier Education and Training on Inspection Instruments and Equipment, Introduction to Power BI - Basic Overview and Practices	121	210
Risk Management	Project Management Seminars, Insider Trading, Raw Material Procurement Processes and Legal Risks of Contract Fulfillment	3,627	2,867
Information Security Management	Promotion of Information Security Regulations, Information Security Awareness, Social Engineering (multiple sessions offered)	5,168	5,204
Green Product / Green Business Development	ISO 14067 Carbon Footprint of Products Inventory Guidance Course, Waste Treatment Training Series	136	464
Sustainable Supply Chain Management	Conditions for International Trade, Selection of Payment Methods and Risk Control, Promotion of Key Supplier Regulations *2	140	494
Customer Relationship Management	Taiwan Institute of Economic Research - International Economic Situation and Outlook *3	64	64
Sustainability Commitments	ESG Sustainable Development and Sustainable Governance Trends	1,504	6,962
Occupational Health and Safety	Workplace Environmental Safety Course, Unlawful Infringements in the Workplace	2,514	1,376
Product Quality and Responsibility	Audit and Quality Control Series Training Course	346	1,781
Labor/Management Relations	Human Rights Education and Training	185	370

Manpower Capital Return on Investment

Unit: NT\$ thousand

Item/Year	2021	2022	2023	2024
Total Revenue	156,664,766	180,400,719	189,839,626	179,318,340
Net Profit Before Tax	19,122,498	23,402,013	7,438,398	2,510,991
Employee Salary and Welfare Expenses	7,120,000	9,040,000	10,413,459	11,236,366
Manpower Capital Return on Investment ^{Note}	2.7	2.6	0.71	0.22
Number of Employees	6,958	9,624	10,428	11,612

Note: Manpower capital return on investment = the Company's net profit/total employee compensation and benefits × 100%



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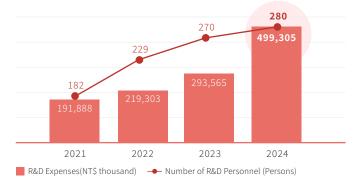
Employee Training Plan

Development Plan	Description of Benefits	Results and Benefits
Digital Project Competition: Hackathon	The purpose of this project was to cultivate key digital talent who would play a leading role in the Company's implementation of digital transformation. A competition was used to cultivate management skills for key talent and give them cross-departmental work experience and capabilities. The Company's digital transformation strategy was leveraged to position key talent as pioneers in executing digital projects. The competition involved creating specific projects, from concept creation to actual verification. The purpose was to help key talent understand how to promote digital transformation within the Company and use existing data and resources to make improvements.	The plan was open to all employees. In 2024, a total of 21 digital projects were completed and gradually implemented in the workplace.
Annual Online Courses	The course contents focused on key issues such as corporate transformation, career planning, talent cultivation, and organizational culture. A variety of courses were offered, including courses on regulatory compliance, corporate governance, information security, technology applications, and project management. English courses were also available online.	This plan was open to all employees. In 2024, 1,767 people completed compulsory courses, an increase of almost 20% compared to 2023. A total of 50 students participated in the English courses in the second half of the year, with a total cost of NT\$334,950.
TPS Lean Production	Through internal lecturers and real-life case studies, Walsin Lihwa's supervisors were led to learn how to operate and solve problem on the production line. The courses included A3 problem solving, TWI, TPS, FMDS, people management and standard workflow, etc., so that supervisors could experience first-hand 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 2024 was 678.
Assist Foreign Talent Adaptation Program	The program was designed to encourage migrant workers to stay in Taiwan and develop their careers, and provided assistance in obtaining certificates such as crane and forklift certification, as well as relevant language training.	In 2024, the Company helped 16 migrant workers obtain professional licenses and continued to provide foreign migrant workers with Chinese language training. The total annual cost was NT\$21,380.

2.2.2 Industry-Academia Collaboration Projects

Walsin Lihwa is actively enhancing the Company's technological R&D capabilities and cultivating future talent. In 2024, the Company collaborated with 15 colleges and universities to jointly promote academic research, internship programs, and academic exchanges, focusing on technological breakthroughs, product development, and waste material recycling. These collaborations helped Walsin Lihwa improve production efficiency, and also added new innovative vitality to the environmental sustainability issues. Furthermore, market and industry changes are bringing new challenges, and in response Walsin Lihwa has made advance deployments in technological R&D in order to develop products that meet market requirements. In recent years, the Company has actively collaborated with higher education and research institutions to strengthen its R&D and manufacturing capabilities, find optimized material characteristics, and improve product performance, thereby expanding the application scope of products in various industries and providing customers with more diverse options.

Enhancing R&D and Technological Capabilities



Establishing University Innovation R&D Center

Promoting industry-academia collaboration and utilizing external resources is one of Walsin Lihwa's strategies for pursuing high-value transformation. Past collaboration experiences have helped Walsin Lihwa establish an excellent rapport with National Taiwan University, and the Company has created an Innovation R&D Center by joining forces with outstanding talent in the materials sector in Taiwan. This will benefit the cultivation of related technical talent as well as speed up the resolution of difficulties encountered in the development process, thereby strengthening the Company's ability to develop new products and take advantage of opportunities in the industry.



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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. This helps the Company 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 inject new vitality into research and development. There were more than 117 participants in these projects, and total project expenses exceeded NT\$200 million.

Industry-Academia Collaboration Research Projects



- 117 participants
- Approximately NT\$200 million in total project expenses

Collaboration	Collaboration		Beneficiari	es	
Project	Project	University faculty	University students	Walsin Lihwa employees	Collaboration Content
Walsin Lihwa-National Taiwan University R&D Innovation Center	National Taiwan University	•	•	•	Accelerate product development / industrial application development
Industry-academia collaboration research projects	15 Taiwanese universities	•	•	•	Solving development challenges / process simulation analysis
Research institutes	3 Taiwanese research institutes			•	Deepen technical refinements / strengthen technical breakthroughs

Desearch Drojects

Re	search Projects	
	Collaboration Topic	Collaboration Content
1	Walsin Lihwa Low Carbon Promotion Project	The Yenshui Plant collaborated with Industrial Development Administration, Ministry of Economic Affairs to reduce carbon emissions by 20,000 tons in 2 years via process and utility equipment optimization, and encouraged 10 companies to join the green industrial chain.
2	Process simulations and experimental verification of nickel pig iron (NPI) rotating furnaces	The Industrial Technology Research Institute assisted Walsin Lihwa in process simulations and experimental verification of nickel pig iron (NPI) rotating furnaces, which would serve as references for process adjustments. The goal was to increase the pre-reduction rate of iron and nickel in the rotating furnace to 10% by weight, and reduce the carbon emissions of the entire process by 4%.
3	Mechanism and control of stainless steel rod material surface crack formation	This research project aimed to deepen Yantai Walsin's core technology of rolling rods, establish standards and methods for smelting rods and the rolling process, and further optimize the production process to improve product quality and reduce costs.
4	Applying stainless steel slag for carbon capture and storage	Using the SRF fluidized bed system as an example, this project researched carbon dioxide adsorption by exploring the use of reduced slag as a fluidized bed medium for carbon capture, and covered the first and second years of trials and analysis.
5	Research on the pickling process for stainless steel wire rods	Research on the pre-pickling and pickling processes for the types of steel produced by Walsin Lihwa, in order to select the most suitable pickling process parameters for pilot trials or production trials. It can also be helpful for the establishment of pickling laboratories, including inspection items and equipment allocation, to order to support the process testing for new steel types. Furthermore, technical training can be provided to engineers for the pickling and testing processes.
6	Development of low-carbon, smart, domestically-produced, high-value, semi- austenitic stainless steel products	Research and development into the characteristics and application performance and effects of semi-austenitic stainless steel.
7	Research project on oxidized slag as a road foundation material	Study and parameters of oxidized slag as a material for road foundations.
8	Research on temperature reduction behaviors of materials during high temperature quenching	Exploration of establishment of numerical models for quenching during the production process of stainless steel bars.
9	Research on the high-temperature friction behavior of ductile iron and stainless steel	Analysis of the high-temperature oxidation and wear behavior of stainless steel during hot rolling.
10	Research on MnS solidification behavior in specific steel types	Exploration of the application of integrated calculation materials engineering technology for eco-friendly free-cutting of stainless steel, as well as the establishment of a micro-structure prediction model to support the optimization of subsequent thermomechanical and heat treatment processes.



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★ 2.3 Talent Motivation and Retention

Incentivized Compensation System

Walsin Lihwa attaches importance to employee benefits and upholds the concept of employee profit sharing. The Company conducts regular market surveys in hopes of providing employees with competitive salaries and benefits, so that it can attract outstanding talent to join the team at Walsin Lihwa. The Company's remuneration policies are based on the following principles:

- The Company complies with relevant local laws and regulations, and strive to establish harmonious labor/management relations within the scope of the law.
- · Starting salaries for fresh graduates and foreign workers are in compliance with local laws and regulations.
- The Company pays reasonable and competitive salaries based on the market value of professional functions as well as the contributions of employees in their positions.
- Employees are rewarded with bonuses based on the Company's business performance, team goal attainment and effectiveness, and individual contributions and performance.
- Employees' salaries and bonuses 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 comparisons with the results of the salary survev.
- Promotions are planned each year based on considerations such as employees' performance and development potential, organizational requirements, and employees' aptitude and career advancement or transfer intentions.

Employee Salary and Remuneration Ratio by Gender and Position

Managerial positions			Non-m	nanagerial p	oositions
	Taiwan	Mainland China		Taiwan	Mainland China
Male	0.77	0.64	Male	0.88	0.84
Female	1	1	Female	1	1

- Note: 1. The disclosed information on the remuneration system is from the following plants: Taiwan region. Taipei Head Office, Yangmei Plant, Hsinchuang Plant, Yenshui Plant, Taichung Plant; Mainland China region: Walsin China Investment, Dongguan Walsin, Shanghai Walsin, Yantai Walsin, Changshu Walsin, Jiangyin Walsin, Jiangyin Walsin (Specialty Alloy Materials), Nanjing Walsin (Real Estate), Hangzhou Futong, Hangzhou Walsin.
 - 2. Ratio of base salary plus remuneration for women to men (base number is 1 for women).
 - 3. Entry-level management refers to management positions from subsection (inclusive) to section level, middle management refers to department level management positions, and senior management refers to management positions at division level (inclusive) and above.
 - 4. Salary composition: Basic salary (Extrapolating the whole year from the month of December 2024 estimated value) + Monthly bonuses (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 absences 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 Full- time Employees	Average Salary (NT\$ thousand)	Median Salary (NT\$ thousand)
2023	2,877	1,094	889
2024	2,766	1,112	921
Difference	111	18	32

Note: Non-managerial employees refer to all employees outside of managers. Managers are defined based on the same scope as managers reported by the Company and disclosed in the annual report of the Annual Shareholders' Meeting.



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Performance Measurement and Managerial Compensation

The relationship between performance measurement and variable rewards



At the beginning of each year, managers and employees discuss work objectives and jointly set the work objectives for the year. Employees and managers communicate with each other regularly and discuss the implementation status of objectives in a timely manner, and provide updates on work progress. Performance evaluations for the year are conducted once every 6 months. Supervisors at all levels conduct performance interviews and evaluations with employees. The evaluation items are as follows:

- General Employees: Performance assessments and functional assessments
- Senior Management: Performance assessments and management assessments, which include policies and plans, operational capabilities, management capabilities, and sustainable development Variable rewards will be issued based on the above performance measurement results and are applicable to 100% of full-time employees.

Managerial rewards

In order to ensure that the managerial officers' performance is closely linked to the Company's strategy and operational performance, the Company has formulated the Regulations for the Evaluation of Managerial Performance and Compensation, which covers managerial officers' performance evaluations and salary remuneration policies. The remuneration standards shall be reviewed by the Remuneration Committee and then submitted to the Board of Directors for decision. Managerial officer remuneration includes the salary and bonuses. The 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 remuneration standards. Bonuses will take into account factors such as the results of individual performance evaluations, the Company's operating performance, and the correlation with future operational risks, etc. However, if there are major risk events that can affect the Company's goodwill, internal management misconduct, personnel malpractice, or 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 a presence in order to protect employees' rights after retirement, allowing retired employees to lead a worry-free 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 key executives who retire, 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 salaries is contributed to a personal account at the Bureau of Labor Insurance. The contribution amounts of the 2023 and 2024 defined contribution plans are listed as expenses in the consolidated statement of comprehensive income as NT\$293,302 thousand and NT\$325,361 thousand.

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 pensions 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.



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The amount of defined benefit plans on the 2023 and 2024 consolidated balance sheets are as follows:

Unit: NT\$ thousand

	December 31, 2023	December 31, 2024
Current value of defined benefit obligations	1,293,149	2,109,947
Fair value of plan assets	(1,036,090)	(1,115,666)
Net defined benefit liabilities	257,059	994,281

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 to take 7 days of 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 Gender Equality in Employment Act. Employees who have been employed for more than 6 months can apply for unpaid parental leave if they need to take care of young children under 3 years old.

There were 44 newborns in 2023 and 55 newborns in 2024, representing a fertility rate of 3.9%. The number of newborns increased compared to the previous year. A total of 182 employees qualified for unpaid parental leave in 2024. Among them, 20 of the employees applied for unpaid parental leave, with a reinstatement rate of 84.6% and retention rate of 50%, showing noticeable growth compared to the previous year. Among the employees who were not reinstated, for some it was mainly due to the subsequent need to take care of their families. For those who were 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 help them familiarize themselves with their work contents more effectively and quickly, so that they can return to their workplaces efficiently.



CAS Took Tangible Action to Fulfill its Commitment to Create a Happy Workplace

In 2024, Cogne Acciai Speciali (CAS) in Italy prioritized the well-being of employees and their families through a series of influential social participation programs:

Support for education:

CAS awarded 2 scholarships to children of employees studying engineering, further demonstrating the Company's commitment to social and educational development.

Work-life balance:

- -More than 90 families have benefited from the Company's free after-school childcare program, which also provides services during school holidays. This fully demonstrates CAS's commitment to supporting employees' work and families.
- -More than 75 employees receive childcare subsidies, with total subsidies of more than €150,000, thereby directly supporting employees' families' requirements.

Employee healthcare:

CAS has signed special contracts with medical institutions to provide employees with free exercise and health examinations and consultations with dietitians, demonstrating the Company's care and commitment to employee health.

• Employee participation:

The participation rate in the CAS Corporate Climate Analysis reached 64%. The Company's employees provided their valuable opinions, which will serve references for improving workplace well-being. Notably, more than 90% of the employees interviewed expressed satisfaction with their relationship with colleagues, which is proof of the Company's efforts in building cohesion and a positive atmosphere in the workplace. Through these initiatives, CAS has continued to create a supportive, participatory, and healthy work environment to provide all employees with a better workplace experience.





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Number of United Devented Leave Applicants in Taiwan Degion	G	Gender				
Number of Unpaid Parental LeaveApplicants in Taiwan Region	Male	Female	Total			
Number of employees eligible for unpaid parental leave in 2024 ^{Note}	156	26	182			
Number of unpaid parental leave applicants in 2024	16	4	20			
Number of employees expected to return from unpaid parental leave in 2024 (A)	10	3	13			
Number of employees that actually returned from unpaid parental leave in 2024 (B)	8	3	11			
Reinstatement rate after unpaid parental leave (B/A) x100%	80%	100%	85%			
Number of employees that returned from unpaid parental leave in 2023 (C)	2	4	6			
Number of employees that returned from unpaid parental leave in 2023 and continued to serve a full year in 2024 (D)	0	3	3			
Retention rate after unpaid parental leave (D/C) x100%	0%	75%	50%			

Note: Employees who applied for maternity leave or paternity leave from 2022/01/01 to 2024/12/31 and were still at the company on 2024/12/31.

Minimum Notice Period for Operational Changes

For major operational changes that affect employees' rights and interests and related response measures, 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, or providing employees with relevant materials to help them apply 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

The Employee Questionnaire has been conducted once every 2 years since 2023. The results of the 2023 questionnaire have helped the Company understand employees' views on the Company's operations, compensation, benefits, and work environment, and propose improvement plans. The primary directions for improvement are as follows:

- · Clarify the employee rotation mechanism and strengthen the concept of employee development through rotation to help employees plan their career development paths in advance.
- Assist supervisors in conducting performance interviews with employees, and improve the methods and frequency of communication so that employees can more clearly understand their position in the company.
- Organize sports and fitness activities and physical fitness evaluation consultations, and arrange physicians on-site to help care for employees' physical and mental well-being.
- Continue to promote the learning and application of M365 tools and promote automation and real-time exchanges of information.

The Company began collecting data for the Employee Questionnaire in the second half of 2024, and the next Questionnaire will be conducted in 2025



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2.4 Workplace Safety and Health

2.4.1 Occupational Safety and Health Policy

Walsin Lihwa upholds the goals of "Green Manufacturing, Happy Enterprise, Sustainable Operation". The Environmental Safety and Health Promotion Center (formerly the Environmental Safety and Health Management Committee) has complied with the Occupational Safety and Health Act (Mainland China: the Production Safety Law) to establish and promote the Occupational Safety and Health Management System, thereby providing safe and healthy working conditions, eliminating and reducing occupational safety and health risks, and promoting occupational safety for employees. The Promotion Center regularly reviews the implementation status of occupational safety and health programs in each plant, and handles safety accidents as well as 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** Hazard identification, risk assessment, and risk control (HIRARC), Environmental, Safety and Real-time and intelligent EHS system safe job procedures (SJP) risk assessment, 5S Workplace **Health Management Talent** Methodology Note, Total Productive Management (TPM) Align with international sustainability indicators (ESG, CHR to CSV) Full staff participation, shift meetings are held to shape safety awareness of zero occupational injuries Zero accidents

Note: Sort, set in order, shine, standardize, sustain.

Occupational Safety Goals

Indicator	2024 Objectives	2024 Results	2025 Objectives	Mid/Long-Term Goals
Company-wide incidents (including workers)	 0 severe and serious incidents ≤ 59 minor or above incidents^{Note 2} 	 4 severe and serious incidents^{Note 1} 295 minor or above incidents^{Note 2} (173 cases of minor injuries, 122 cases of incidents) 	 0 severe and serious incidents Company-wide employee disabling injury frequency rate (F.R) ≤ 1.8 	 2026 O severe and serious incidents Reduce company-wide employee disabling injury frequency rate (F.R) by 10% annually
Company-wide contractor disabling injury frequency rate (F.R) Company-wide employee frequency-severity indicator (F.S.I)	 0 severe and serious incidents Incidents^{Note 4} or above F.S.I ≤ 0.4 	• Contractor F.R = 8.26 ^{Note 3} • Employee F.S.I = 1.392	 0 severe and serious incidents Incidents or above F.S.I ≤ 0.4 	 2026 O severe and serious incidents Minor or above incidents F.S.I reduced by 10% annual

- 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.
 - 2. Minor and above incidents refer to recordable accidents involving minor injuries (less than one day of lost working hours) in the factory. Occupational injuries refer to injuries resulting in one or more lost workdays.
 - 3. Walsin Lihwa's disabling injury frequency rate (FR) analyzes non-company workers, but their actual lost workdays cannot be calculated because they have no regular workplace after they recover from injuries. Therefore, the frequency is based on disabling injuries/1,000,000 employee-hours. 2 cases in 2024: Contractors had 2 fatal occupational injuries (1 each at Yenshui and Yantai).
 - 4. FSI incidents do not include minor injuries (less than 1 workday lost).



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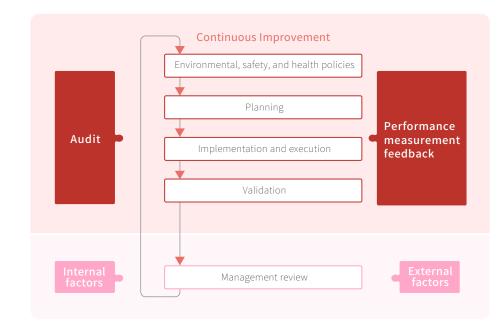
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Occupational Safety and Health Management System (Including Fire Safety Management)

The Occupational Safety and Health management system (ISO 45001) is applicable to Taiwan plants (Hsinchuang, Yangmei, Taichung, Yenshui), Mainland China plants (Shanghai Walsin, Jiangyin Walsin (Specialty Alloy Materials), Changshu Walsin, Yantai Walsin), Indonesian plants (PT. Walsin Nickel Industrial, PT. Sunny Metal Industry), and all workers at CAS (employees, contractors, and visitors). The overall site coverage of internal and external audits was 83.97% for employees and 98.86% for non-employees (contractors) (Taipei Head Office, Indonesian plants, Nanjing Walsin (Real Estate), and Walsin Precision in Malaysia have not yet passed verifications). Occupational health and safety 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 Lihwa continues to apply the PDCA method to dynamically review management methods and make improvements as well as prevent recurrences, and conducts 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 Committee Note 1, with a certain proportion of labor representatives assigned by the Company's labor union to participate. Regular meetings are held (quarterly/monthly) to discuss regulations related to occupational safety and health (safe production), major safety and health issues, and safety and health management performance. The meeting minutes and occupational safety promotion messages are sent to Company colleagues.

Percentage of Labor Representatives Note 2

Safety and Health Committee	Total Employees	General Members	Labor Representatives	Number of Meetings	Labor Ratio
Taiwan	102	68	34	28	33.33%
Mainland China	45	41	4	16	8.89%
Malaysia	20	10	10	4	50.00%
Indonesia	24	16	8	16	33.33%
Italy	68	41	27	53	39.71%

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 plants in Mainland China, Malaysia, and Indonesia are under the supervision of the Production Safety Committee.

- 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.



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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

Regular meetings are held on-site, and when hazards or 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

The Company notifies third party companies (contractors) about workplace hazards, conducts opinion exchanges, and promotes company policies; regularly communications and discussions are held with contractors.

In the beginning of every month, a review is held on industrial safety incidents that resulted in disability for 3 days or more in the previous month, and the Environmental Safety Department conducts Immediate Incident Investigations and discusses them in the council meeting, thereby ensuring the effectiveness of improvements and the attribution of responsibilities (e.g. operational/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 infringements, abnormal workloads (overwork), and man-made hazards.

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 operations immediately and have workers retreat to a safe place.

2.4.2 Workplace Safety

Safety Culture

The goal of occupational safety management is to instill safety awareness and knowledge in the heart of every worker, creating an "occupational safety culture". In 2024, Walsin Lihwa used the 198 occupational accidents that occurred in Taiwan and Mainland China over the last 5 years as examples to help each unit propose systems and independent management activities, encouraging employees to improve their workplaces' facilities and operational procedures. The onsite Safe Job Procedures (SJP) are a joint review by operators and team members, in which the current 126 standard operating procedures are reviewed, and the SJP and risk assessments are aligned and revised after discussion. This process engages every worker in safety discussions and ensures they understand and follow the procedures. In 2024 the Frequency-Severity Indicator (FSI) rose, but detailed analysis showed that the FSI in the second half of the year was 0.796, a fall from the 1.270 of the first half of the year. This indicates that improvement projects have been clearly effective.

The improvement projects from 2024 are continuing in 2025, in which short videos serve as instructional material for high-risk operations, thereby raising employees' occupational safety awareness. Furthermore, safety training is strengthened to enhance the safety observational abilities of relevant personnel and managers. Multiple levels of inspections, from the basic level to high-level management, are conducted to comprehensively examine equipment, environments, and behavior, thereby ensuring that safety is implemented. In addition, the Company has introduced AI and IoT technologies to improve safety management efficiency and create safer work environments.



Incidents or above

Results Analysis

	Firs	t Half of	2024	Second Half of 2024				
	FR	SR	FSI	FR	SR	FSI		
Taiwan	3.20	189	0.777	4.44	83	0.606		
Mainland China	7.88	405	1.787	4.61	200	0.960		
Overall	5.48	294	1.270	4.52	140	0.796		

Note: Frequency Rate (FR) = number of occupational injuries / total working hours * 1 million work hours Severity Rate (SR) = number of lost workdays / total working hours *1 million work hours Frequency-Severity Index (FSI) = (FR × SR / 1000) 1/2



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Educational Training and Promotion

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 changes and requirements 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.

Occupational Safety and Health Education and Training

			On-the-Jo					
Region	New Employee Training	Internal Education and Training			Training Obtaining ations)	Non-Employee Worker Training (Including Contractors)		
	Number of Participants	Number of Participants	Number of Sessions	Number of Participants	Number of Sessions	Number of Participants	Number of Sessions	
Taiwan	487	10,238	473	438	188	530	137	
Mainland China	272	15,095	120	441	87	1,917	384	
Malaysia	41	150	16	5	5	0	0	
Indonesia	894	4,403	2,246	117	594	456	482	
Italy	492	8,556	935	886	135	559	160	
Subtotal	2,186	38,442	3,790	1,887	1,009	3,462	1,163	

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

Fire and Explosion Prevention

Regular self-inspections are conducted at each plant of the chemicals used in the entire plant, and chemical lists (for SDS control and GHS diagram maintenance) are established annually. The Company also conducts inspections and replacements of corresponding abnormal fire extinguishing equipment and holds relevant emergency response training on a regular basis to prevent disasters.

Occupational Injuries and Diseases

Walsin Lihwa's medical personnel, occupational safety and health personnel, dedicated HR persons, and staff from all departments work together to protect and promote the health of workers, and to regulate the implementation of health examinations for employees in accordance with regulations, so as to independently manage 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.



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Results of External Participation

- Walsin Lihwa provided the Company's practical implementations of SDGs for fire safety management, and assisted the National Fire Agency, Ministry of the Interior in establishing guidelines. Walsin Lihwa received a certificate of appreciation to recognize its contributions to improving workplace fire safety in Taiwan.
- Walsin Lihwa assisted the Labor Affairs Bureau of Tainan City Government in establishing the Walsin Lihwa Safety Family in 2019. The Yenshui Plant serves as the core enterprise and acts as the leader of the family, organizing occupational safety and health education and training and guiding smaller companies. A total of 26 companies in the Walsin Lihwa Safety Family received assistance in improving their work environments, and in 2024 Walsin Lihwa was awarded the Excellence Award for Occupational Safety and Health in the Work Safety Family Evaluation of the Labor Affairs Bureau of Tainan City Government, thus recognizing Walsin Lihwa's contribution to occupational safety in Taiwan.





Forklift Safety Warning System Testing Project

Forklifts are important and frequently-used pieces of equipment for moving objects at Walsin Lihwa plants, but they may cause serious personal injuries when driven at high speed, or when they back up or turn around. Therefore, the safety management of forklifts is an important issue that affects production safety.

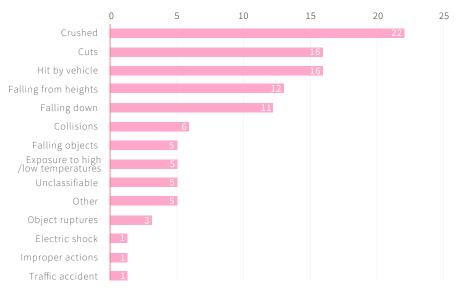
To reduce the risk of accidents, Walsin Lihwa's Changshu Plant has implemented a smart forklift system promoted by the competent authority, thereby achieving digital transformation while also comprehensively improving forklift management. The system covers prevention, incident management, and post-incident tracking, strengthening driver safety and monitoring during operations, thus protecting safety during the Company's production processes. In the future, Walsin Lihwa will share its experience in testing the system, and will help all plants in Mainland China introduce the system, thereby further reducing risks in forklift operations.

Occupational Accidents

Occupational accidents were reduced between 2021 and 2024 via measures such as project inventories, systematic categorization of disasters, risk assessments, and safe job procedures (SJP). Although the number of accidents increased in 2024, the overall severity of the accidents decreased. In 2025, the Company will continue to make improvements and reduce occupational accidents via ISO 45001 regulations, contractor management systems, and the newly-developed mobile phone app inspection and feedback mechanism.

Causes of Injuries at Plants

In 2024, there were a total of 109 occupational injuries (including 1 fatal occupational injury at PT. Walsin Nickel Industrial Indonesia, but excluding 160 minor injuries). The ratio of recordable disasters among employees was 1.02%. The overall frequency of disasters was higher than that in 2023. Based on analysis, the highest incidence rate was 85% for entry-level technical operators (this analysis does not include CAS in Europe), and the main types of disaster were 20% for crush injuries, followed by 15% for cuts and 15% for hit by vehicle. There were 13 non-employee occupational injuries (including 2 fatal injuries but excluding 13 minor injuries). The main types of disaster were 31% for hit by vehicle injuries, followed by 23% for falls. All related disaster accident risks and deficiencies were corrected in a timely manner through physical protective equipment and management measures. In 2024, there were no fires, chemical leaks, or fatal occupational injuries in the Company.





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Statistical Analysis of Occupational Injuries in Plants

	Employees									No	n-Employee	9		
Year	Total Hours	Deat	hs	Seve Occupat Injuri	ional	Record Occupa Injui	ational	Total Hours	Dea	ths	Seve Occupa Injur	tional	Recor Occupa Inju	ational
	Worked	Number of People	Ratio	Number of People	Ratio	Number of People	Ratio	Worked	Number of People	Ratio	Number of People	Ratio	Number of People	Ratio
2021	11,348,042.0	0	0	1	0.02	35	0.62	3,846,152.0	0	0	1	0.05	3	0.16
2022	15,798,983.4	0	0	1	0.01	51	0.65	1,772,632.7	0	0	0	0	0	0
2023	18,936,620.5	0	0	4	0.04	57	0.60	1,962,465.7	0	0	0	0	18	1.83
2024	23,651,085.1	1	0.01	1	0.01	109	0.92	1,572,981.9	2	0.25	0	0	13	1.65

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 occupational 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
- For the statistical analysis of occupational accidents in 2024, the number of days means calendar days. The number of lost workdays is the number of days beginning from the day after an accident. The number of recordable occupational injuries does not include traffic accidents on the way to and from work or any minor injury not resulting in 1 lost workday.

Compliance with Occupational Safety and Health Laws and Regulations

In 2024, there were 5 cases of major penalties (penalties exceeding NT\$700,000) for violations of the occupational safety and health laws in Taiwan, and they are listed below. There were no violations exceeding NT\$100,000 in the Mainland China, Southeast Asia, and Europe regions. Regarding the violations, Walsin Lihwa will continue reviewing every accident and penalty to focus on high-risk hazardous operations, highly frequent false alarms, and potential threats. Setting up relevant projects and leveraging information technologies will also help gradually strengthen employees' safety awareness, ensure that the status of machines and equipment are known at all times, and effectively control raw material and chemicals. The compliance cloud information system will also gradually be implemented, thereby optimizing the management systems for occupational safety and health.

Plant	Cause	Non- compliance	Status of Improvement	Amount of Fine (NT\$)
Yangmei Plant	Iron shafts placed in prohibited location	Article 6-1 of the	Adjusted the location where iron shafts are stored, and strengthened the inspection and confirmation of stacked iron shafts before and after forklift operations, thereby ensuring the safety of the work environment.	NT\$100,000
Yangmei Plant	Occupational injury	Occupational Safety and Health Act	To improve operational safety, improvements will be made to power plates, and standard operating procedures and safe job procedures (SJP) are also modified. The Company has also purchased necessary insulative protective equipment, such as insulation gloves, insulation curtains, and welding goggles, to strengthen employees' protections in high-voltage work environments.	NT\$100,000



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Plant	Cause	Non- compliance	Status of Improvement	Amount of Fine (NT\$)
Taichung Plant	Occupational injury	Article 6-1 of the Occupational	The Company strengthened protection at potential clamping injury points by adding covers, and promoted the correct use of steel strapping tools, and completed SJP revisions to improve operational safety.	NT\$100,000
Yenshui Plant	Occupational injury	Safety and Health Act	The Company strengthened protection at potential clamping injury points by adding covers, and promoted the correct use of steel strapping tools, and completed SJP revisions to improve operational safety.	NT\$100,000
Yenshui Plant	Occupational injury	Articles 26 and 27 of Occupational Safety and Health Act	The Company is implementing procedures for the resumption of work, and has strengthened protection at potential clamping injury points by adding new locking devices, covers, and enclosures. Furthermore, the Company is also strengthening contractor communications and inspections in order to ensure operational safety.	NT\$300,000

2.4.3 Contractor Managem and Auditing

Walsin Lihwa's Collaborations with Contractors for Workplace Safety Improvement

Plant	Number of Contractors	Number of Occupational Injuries Involving Contractors	Number of False Alarms Involving Contractors	Number of Deficiencies Involving Contractors	Number of Incidents of Fines for Contractors
Hsinchuang Plant	199	0	0	94	0
Yangmei Plant	1,924	0	0	164	3
Taichung Plant	440	0	0	18	4
Yenshui Plant	2,991	1	0	328	18
Shanghai Walsin	45	0	0	8	1
Jiangyin Walsin (Specialty Alloy Materials)	73	0	0	46	13
Changshu Walsin	389	0	0	32	8
Yantai Walsin	1,503	1	0	8	78
Europe plants	258	11	3	6	6

Note: The Taipei Head Office, the subsidiaries in Indonesia, and Walsin Precision do not have contractors, so they are not included in the table.

All Walsin Lihwa factories in the Taiwan and Mainland China regions 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 start-up meetings as well as meetings with the contractors are held regularly. Contractors must receive relevant training before being qualified to enter plants. The contractors' entry information is managed through the Contract Management System. In 2024, contractors entered the plant 7,822 times. 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 704 notification of deficiencies and improvement orders and 131 violation tickets were issued. In 2024, among contractors, there were a total of 2 fatal occupational injuries (1 in Yantai and 1 in Yenshui), 11 occupational injuries (CAS), 13 minor injuries (5 in Yantai, 2 in Yenshui, and 6 in CAS in Europe), and 3 false alarm incidents (CAS in Europe). Relevant deficiencies have been immediately corrected, and key issues of concern have been communicated. In 2024, no contractors had fire emergencies in the working environment of the Walsin plants.



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2.4.4 Key Activities on Occupational Safety and Health

Each year, Walsin Lihwa designs feasible employee health promotion plans, conducts health inspections, and analyzes the results based on risk management and the plant's hazardous operations and special operation groups (noise, ionizing radiation, dust, high temperatures, 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. No work-related health abnormalities were found in 2024.

Through health promotion lectures and activities in 2024, the Company improved employees' health awareness and guided employees to adopt healthy behaviors and habits and obtain the correct knowledge on hygiene. A total of 151 health education lectures were held in 2024, with 5,562 participants. Furthermore, 12 female employees received maternal labor health protection.

2,596 current employees undergoing health

248 new employees

Health Promotion

1,292 participants in total

Seminars on Health

Safety and Rescue

2,614 participants in total

Blood Donation

sessions

Education and Training **52** sessions

Activities

31_{sessions}

Issues

59 sessions

1,238 workers involved in tasks with special health hazards



Hsinchuang Plant received the 2024 Badge of Accredited



Taichung Plant received the 2024 Outstanding Healthy Workplace - Health Management Award from the Health Promotion Administration



Yenshui Plant received the 2024 iTaiwan Sports Badge from the Sports Administration of the Ministry of Education



Success Cases of Occupational Health Promotion

Healthy Workplace







Walsin Lihwa Participated in Marathons to Showcase the Team's Vitality

Walsin Lihwa actively supports sports and charity, encouraging employees to exercise and demonstrate the spirit of teamwork. In 2024, the Company assembled team to participate in the Taipei Freeway Marathon and the EVA Air Marathon to turn sports into a part of the corporate culture. A total of 200 participants, assembled from plants in the Taiwan region, Mainland Chinese and foreign employees from Walsin Energy Cable System, and partners from NKT, participated in the marathons to show their commitment to exercise and health. After the race, one colleague said, "At the finish line, when we saw the Walsin Lihwa supply station, we felt a sense of warmth and stronger belonging." Walsin Lihwa hopes that sports and exercise will help motivate employees to do their best, so that the spirit of sportsmanship can be integrated into their work and everyday lives.







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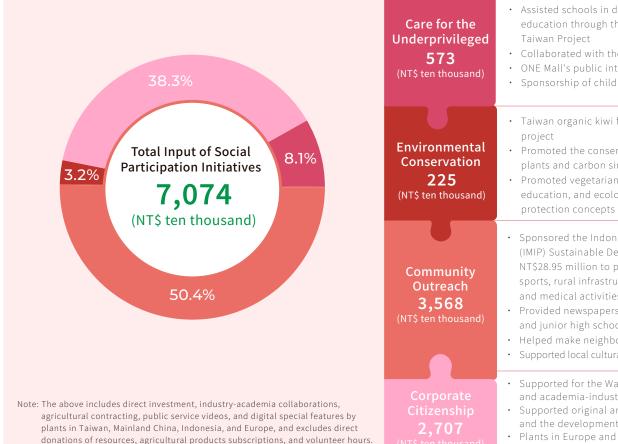


2.5 Social Engagement

2.5.1 Social Engagement Policy

Years of commitment to public interest and welfare at Walsin Lihwa has led to the Company incorporating sustainable development into its core values. Walsin Lihwa not only pursues ongoing business growth but also dedicates itself to developing together with local communities, which is achieved through four main aspects: care for the underprivileged, environmental conservation, community outreach, and corporate citizenship. Walsin Lihwa employees take part in various activities and projects 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.

Walsin Lihwa Social Care Aspects



 Assisted schools in developing sport and music education through the Light Up the Corners throughout • Students in remote rural areas Collaborated with the Give Child A Hand Association

- · ONE Mall's public interest activities
- · Sponsorship of child welfare organizations
- The underprivileged
- NPOs
- General public
- · Taiwan organic kiwi fruits contracted planting Promoted the conservation of Taiwan's endemic
 - plants and carbon sink projects · Promoted vegetarian diets, food and agriculture education, and ecological and environmental
- Young farmers
- Schools and research institutes
- General public
- · Sponsored the Indonesia Morowali Industrial Park (IMIP) Sustainable Development Foundation with NT\$28.95 million to promote education, culture, sports, rural infrastructure, environmental protection, and medical activities
- Provided newspapers and study aid at elementary and junior high schools
- Helped make neighborhoods more beautiful
- Supported local cultural, folk, and public interest events

- Supported for the Walsin-NTU Innovation R&D Center and academia-industry cooperation
- Supported original art and cultural groups in Taiwan and the development of local arts and culture
- Plants in Europe and Asia participated in social, economic cooperation, and ESG institutions



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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 high-quality education to underprivileged children to help sow seeds of hope for the future. Walsin Lihwa has continued funding the Light Up the Corners throughout Taiwan Project and donating to 12 child welfare organizations in Taiwan. In the Mainland China region, the One Mall in Nanjing organizes a variety of charity events annually.

Light Up the Corners throughout Taiwan Project

At the end of 2016, Walsin Lihwa launched the Light Up the Corners throughout Taiwan donation program for the Company's 50th anniversary, providing ongoing funding to 5 elementary and junior high schools in remote areas of Taiwan, offering students with better teaching quality, environments, and facilities, as well as developing unique sports and music education. The Company aims to fulfill its corporate citizenship responsibilities and give back to society by continuing to provide support and serving as a guiding light, so that more people will be able to feel the warmth of Walsin Lihwa and see the Company's light in every corner of Taiwan.



Yilan Datong Elementary School

Junior High School

Junior High School Youth baseball, percussion music, soccer, track and field, dance

In 2024, Guangwu Junior High School organized outdoor courses such as stream trekking, cycling around Taiwan, and climbing Mount Hehuan. The students actively joined the activities, which only had limited places available. During the trips, they learned knowledge such as history, culture, and bicycle repair, and continuously trained their physical stamina. Many graduated students who had previously participated in these activities also returned to help out the younger students, thereby allowing the students to help each other and learn in natural outdoor environments.

The baseball players at Datong Elementary School mainly come from the Atayal people. In 2024, they participated in

competitions such as the Hualien NOKO Baseball Festival, the Mega Cup Yilan Dream Come True Youth Baseball

Championship, and the Care Cup. The team also won third place in the elementary school division of the National Atayal

Games 2024. It is hoped that the team will continue to excel in the future and win further glories. The percussion ensemble

participated in the Yilan County Student Competition of Music and achieved excellent results.

The baseball team continued to achieve excellent results in 2024, winning the championship in a rubber baseball tournament, the Hualien County United Games, and the Indigenous Cup Baseball Tournament. The percussion ensemble was honored with the Outstanding Award in Hualien County, and the school was honored with 5 outstanding awards in dance competitions. All of these results led to eligibility for national competitions. In track and field, the team came third in the National High School Games, 110m Hurdles, Junior High School Division. The soccer team won the championship and will represent Hualien County in the National Junior High School Tournament, soft ball division.

Pingtung Taiwu Elementary School Students at Taiwu Elementary School who are interested in music can try out for the violin and piano clubs, in hopes of training their skills and finding unique potential. In 2024, the students performed at the school's anniversary, Mother's Day, and Christmas celebrations. They also participated in the Pingtung County Music Competition, inspiring the children to learn, improve their skills, and showcase their talents.

Pingtung Gaoshi Elementary School Ancient ballads troupe, soccer, judo

Gaoshi Elementary School won many accolades in 2024. They came second in the Mudan Township Soccer Tournament. At the Pingtung County Sports Games, in track and field the school won second place in the girls' division and third place in the boys' division, as well as fourth place in the boys' division high jump and third place in the relay race. The ancient ballads team participated in events such as the Two Peak Channel Memorial Activity and the 150th Anniversary Event of the Mudan Incident, where they performed moving ancient ballad songs.

Light Up the Corners throughout Taiwan Project Documentary Film -------



Episode 1



Episode 2



Episode 3



Episode 4



Episode 5



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Care for the Underprivileged

Walsin Lihwa and its employees consider the education for children very important, and the company regularly donates to organizations such as 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 12 children welfare organizations in 2024.

One Mall's Public Interest Activities in 2024

One Mall in Hexi New Town, Nanjing is a shopping complex run by Walsin Lihwa. One Mall has engaged in social welfare and conduct various social care events since 2015, and plans various caring activities every year. A total of 5 events were held in 2024, with approximately 2,400 participants.

Pet Adoption Day in Nanjing

One Mall supports and promotes the concept of "caring for stray animals, adopting instead of purchasing pets", collaborating with Pet Adoption Day in Nanjing, Nutram, Qifentian, and other organizations to hold the 84th and 99th Nanjing Pet Adoption Day activity, with over 1,000 participants engaging in this meaningful adoption initiative.



ne Mall Summer Camp

July

One Mall and the Zijin Mountain Insect Museum in Nanjing jointly organized the Wonderful Nature Stories x One Mall 2024 Summer Camp event, with the participation of approximately 90 families. All registration fees were donated to the Amity Foundation for charity.



Illuminating a Brilliant World Online **Charity Photography Exhibition**

October

A total of 14 young photographers from western Mainland China exhibited at the Little Can-Can Dandelion Project: Illuminating a Brilliant World photography exhibition event, held at the VVG in One Mall, showcasing the bright new perspectives of young children from western China.



- Carb Brain: Dog Charity Feeding Event

One Mall collaborated with the Nutram pet food brand to jointly plan an activity designed to bring attention to the issue of rescuing stray animals. It attracted around 200 participants, drawing public attention and care toward stray animals and promoting the concept of respect for life.





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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 in Baoshan Township, Hsinchu County, covering an area of approximately 10 hectares. Efforts are directed toward 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, the Company established the Huabao Conservation and Breeding Co., Ltd. with Winbond Electronics in 2018. Huabao focuses on Taiwan's forest protection and endemic plant restoration. In 2023, the 1st phase collection of 24 varieties of Taiwan tea was completed, and was followed up with relevant hardware and software implementation as well as cultivation skill training in 2024. Furthermore, Hubao also won a bid for 21 hectares of state-owned land in Sanxing Township, Yilan County, and will implement reforestation and creating a natural carbon sink based on the most suitable tree types for the land.

Environmental Education Seminar on Native and Non-**Native Species**

The Company helped employees better understand the differences between native and non-native species through lively and interesting interactions, and explored the impact and potential threats of common invasive species in Taiwan on local ecosystems. The aim is to raise widespread awareness toward protecting biodiversity by sharing case studies and conducting knowledge exchanges, which in turn will help more people take ecological conservation more seriously and work together to maintain Taiwan's precious natural environment.





Support for Local Agriculture and Environmentally Friendly Farming

Taiwan's agricultural sector is currently facing challenges such as an aging workforce, competition from imported agricultural products, and the impact of extreme climate conditions. Starting in 2021, Walsin Lihwa has collaborated with young farmers who engage in environmentally friendly farming practices to cultivate organic kiwi fruits native to Taiwan, thereby supporting sustainable agriculture through tangible action and jointly taking on climate risks together.

In 2023, the Company produced and released the documentary Multiple Choice Question of Kiwi Fruit, in which the environmentally friendly cultivation of kiwi fruits is used to illustrate how local production can reduce waste, lower carbon emissions, and raise public awareness regarding agricultural sustainability. The film was submitted to the 8th Taipei Golden Eagle Micro Movie Festival in 2024, distinguishing itself from 183 entries to win the bronze award in the Sustainable Micro Movie Award category. This demonstrated Walsin Lihwa's ethos of supporting the sustainable development of local agriculture.



Multiple Choice Question of Kiwi Fruit



Encounter with Kiwifruits special report





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Promotion of Food and Agricultural Education

Green Up: Walsin Lihwa Green Trio

Walsin Lihwa held its Vegetarian Day for the first time in 2023, and expanded the Company's promotion of plant-based diets in 2024. On World Vegetarian Day, the Company held a Green Trio Banquet at its Taiwan plants: "One Day of Plant-Based Meals x Indigenous Wild Greens DIY x Organic Farmers Market". This event allowed employees to buy, right at the office, organic ingredients that had been directly delivered from where they had originally been grown, and then participate in DIY Food Education Workshops. This allowed colleagues to enjoy plant-based foods, eat healthily, and buy organic produce. The event also rented reusable tableware in order to reduce plastic waste. By holding a series of experiential activities, the Company aims to promote green and sustainability concepts and contribute to environmental protection, thereby helping to "Green Up" and save the Earth!





A total of over **500** Taiwan colleagues participated in the Vegetarian Day event, resulting in a reduction of **191.8** kilograms of carbon dioxide.

Family Rice Harvesting

To raise employees' environmental awareness, the Company invited employees and their family members to the Wufeng District of Taichung City to participate in food and agriculture education activities. By learning about rice-related information and associated skills, they could experience the pure beauty of agriculture and enjoy time with their families. This way, employees could take practical action to protect the environment, support local agriculture, and contribute meaningfully to the land of Taiwan.



Happiness Lecture on "Bee Nutrition"

An instructor introduced the types and behavior of bees, and also reminded employees that issues such as insufficient nectar-producing plants, climate change, diseases, and parasites are creating an existential crisis for bees, which will have a tremendous impact on ecosystems. DIY activities were also offered so that participants could prepare food with their own hands, and in turn understand the importance of bees to agricultural production and economic development.







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2.5.4 Community Outreach

Walsin Lihwa's individual plants remain actively engaged in assessing and responding to the social and environmental opportunities and risks within their respective communities. Through a variety of initiatives, the Company supports local culture and events, provides care for the underprivileged, and leverages available plant resources to promote community development.

Provided Newspapers and Study Aid at Elementary and Junior High Schools

One notable initiative is the provision of newspapers and study aids to elementary and junior high schools. Since 2014, Walsin Lihwa has partnered with the Mandarin Daily News to supply newspapers to schools near its Taiwan plants. Teachers use the content to introduce current events and relevant topics, encouraging students to broaden their horizons through interactive classroom discussions. In 2019, the Company expanded this initiative by collaborating with the PSA Charitable Foundation and the Mandarin Daily News' Bilingual Youth Journal. This program encourages junior high school students to read educational newspapers in both Chinese and English, featuring bilingual articles designed specifically for their age group. The initiative enhances students' listening, speaking, reading, and writing skills in both languages, while also fostering a greater interest in reading and global current affairs.

Elementary and Junior High Schools Participating in Newspaper Reading in 2024

New Taipei City 2024 **Newspaper Reading** 2 Schools 3 Classes **Taoyuan City** 52 schools, 634 classes **16,489** students 4 Schools 4 Classes 10 Schools 20 Classes Bilingual Total of **1.1 million** in sponsorship **Taichung City** 2 Schools 2 Classes **Tainan City** 8 Schools 65 Classes **Kaohsiung City** 2 Schools 2 Classes 24 Schools 538 Classes Bilingua

Volunteerism for Assistance in Newspaper Reading

Walsin Lihwa organized volunteer-led newspaper reading activities in April and December 2024. Approximately 30 employee volunteers visited Chung Cheng Elementary School in Wuqi District, Taichung City, and Yong Ji Elementary School in Yingge District, New Taipei City, to lead interactive reading sessions and educational games. The activities incorporated subjects such as mathematics, Mandarin Chinese, social studies, eco-friendly stainless steel tableware, electricity safety, and general knowledge, making learning both fun and meaningful. Volunteers carefully guided the children through each game, fostering curiosity and engagement. At the end of the events, students enthusiastically shared what they had learned and expressed heartfelt thanks to the volunteers for the enriching experience. These activities not only sparked students' interest in reading, but also planted seeds of knowledge, encouraging them to explore the world with greater curiosity and confidence.





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Game Masters for the Eight Tentacled Octopus Zhi-Zhen and Yu-Wen, Facility Management Department

We guided the children to find words through physical movements. It was a lot of fun. It's very interesting to be able to serve as a volunteer and interact with these children, and I hope the children also had fun.



Yuan-Xuan, Yong Ji Elementary School

I liked the "Science Trivia" game the best, it taught me that we shouldn't roll wires up and tie them together, because the temperature will rise and that can be dangerous.



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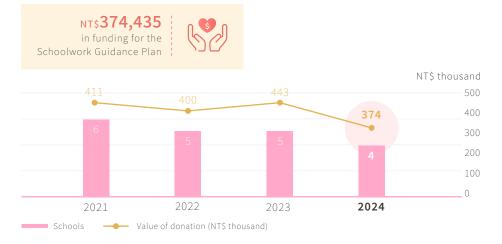
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Schoolwork Guidance Plan for Elementary Schools

Walsin Lihwa continued to provide funding for schoolwork guidance at 4 elementary schools in the Yenshui region, to help bridge the urbancountry divide in education.

Results of Schoolwork Guidance Plan for Elementary Schools in Yenshui District



Support for Local Events

In 2024, the plants in Taiwan took part in or supported a total of 102 local cultural events to help take care of the underprivileged and strengthen community relations. The events included the Lantern Festival, Dragon Boat Festival, and Mid-Autumn Festival celebrations as well as support for children's homes, care for the elderly, showing appreciation to police and firefighters, community environmental education, etc. The Company hopes to make further positive contributions to community development.



Support for Taiwan, Local Farmers, and Social Enterprises

Every year the Walsin Lihwa Employee Welfare Committee promotes buying directly from small famers to buy natural and healthy agricultural products as festival gifts for employees. The 2024 Lunar New Year, Dragon Boat Festival, and Mid-Autumn Festival gifts were bought from local small-scale farmers, beekeepers, and tea farms in Taiwan in order to support local farmers.

Helped Make Neighborhoods More Beautiful

Walsin Lihwa's plants in Taiwan, including the Head Office building in Taipei City, the Hsinchuang Plant in New Taipei City, the Yangmei Plant in Taoyuan City, the Taichung Plant in Taichung City, and the Yenshui Plant in Tainan City, all 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, drainage channels, or parks, providing local communities with an excellent environment and cityscape.

Neighborhood beautification NT\$1,315,984



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 Yangmei District Office for its adoption of a local greenbelt between Gaoshi Road and Meigao Road since 2015, as well as a monthly clean-up of Gaoshi Road.
Taichung Plant	Adopted Jingsan Road and engaged in sidewalk cleaning, greenbelt care, and tree maintenance. The plant also adopted the Dongfeng Green Corridor Bicycle Path and Liyuan Park Phase I & II (Taiping District) in response to the Taichung City Government's "air quality cleaning zone" initiative in 2018. In 2024, Liyuan Park Phase I & II respectively won the Taichung Environmental Protection Bureau's "Excellence" and "High Distinction" awards.
Yenshui Plant	Recognized by the Tainan City Government as an outstanding company for adoption of Tainan County Highway 80, including planting roadside trees and cleaning the environment; Tainan County Highway 74, including cleaning the drainage channels on the north side; and 3 nearby community parks since 2014.



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2.5.5 Corporate Citizenship

Driving Industrial, Economic, Technological and ESG Development

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

Support Industry-Academia Collaboration

Walsin Lihwa maintains strong partnerships with leading academic institutions such as National Taiwan University, National Cheng Kung University, National Chung Hsing University, and Chung Yuan Christian University. These collaborations span areas including product innovation, production management, EMBA programs, and native plant conservation and breeding. By aligning corporate needs with academic research capabilities, the Company helps cultivate future talent while enhancing product value and management performance.

National Taiwan University International Mentorship Program and Overseas Internship Program - International Internships to Cultivate International Talent

To nurture globally minded talent, Walsin Lihwa participated in the NTU Overseas Internship Program, hosting two Indonesian students in 2024. The interns visited the Taichung and Hsinchuang Plants, gaining hands-on experience in steel coil and wire and cable production. They also attended the Sustainability Poster Competition Award Ceremony and Symposium, and engaged in cultural exchanges with Indonesian engineers to better understand the intercultural workplace environment.

This program not only broadened the students' industry knowledge and professional skills but also deepened their understanding of the Southeast Asian market, providing valuable experience for their future careers. Walsin Lihwa remains committed to promoting international cooperation, diversity, and inclusive talent development through practical, meaningful initiatives.

NTU Dean's Award for CoE Graduate Students - A Grand Academic Event to Support the Development of **Outstanding Talent**

Walsin Lihwa has supported the NTU Dean's Award for CoE Graduate Students for three consecutive years as part of its commitment to academic excellence and talent cultivation. At the 5th award ceremony held on August 30, 2024, the Company joined NTU faculty, students, and 17 other enterprises in recognizing 92 graduate students and 81 professors—a record high. Walsin Lihwa sponsored NT\$100,000 for five students and five mentors.

Following the ceremony, the Company engaged in in-depth discussions with award recipients, gaining insights into their research and professional potential. Many students expressed that the award not only validated their academic efforts but also motivated them to pursue further excellence. One student remarked, "This honor has given me more confidence to continue moving forward in my field of research, and I hope one day to apply what I have learned in the industry to give back to society."

Walsin Lihwa believes that by partnering with outstanding talent, the Company can jointly create a better future, assist students in bridging the gap to workplace demands, and promote the sustainable development of academia and industry.

Deepen Industry-Academia Collaborations to Jointly Create a Sustainable Future

Upholding the ethos of "Creating Value with Good Technology," Walsin Lihwa continues to promote industry-academia collaboration and technical exchange. On June 13, 2024, the Company hosted the 3rd Sustainability Poster Competition Award Ceremony and Symposium, centered on the themes of Metallic Materials. Net Zero Carbon Emissions, and Precision Processing. The event attracted over 70 students, 20 research teams, and 29 research projects.

Keynote speakers included a professor from NTU's Department of Mechanical Engineering and a manager from the Aerospace Industrial Development Corporation (AIDC), who shared insights on AI in processing quality and tool wear technology and practical experiences in machining difficult materials. The event fostered cross-sector dialogue on green technologies, material applications, and energy issues, successfully linking academic and industrial resources and inspiring innovation for a sustainable future.





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Highlights

Snapshots of Growing Up

Second-generation video course

In 2023, nearly 300,000 students in Taiwan were second-generation immigrants, accounting for 7.1% of all students. Walsin Lihwa sponsored a unique photography course, which accelerated the inclusion and mutual understanding between different cultures, showcasing the infinite possibilities brought by education as well as helping the general public understand the issues of immigrants and their children in new ways.

The Snapshots of Growing Up documentary and special reports on the photography course for second-generation immigrants allow audiences to see things from these second-generation immigrants and experience their changes and growth during the course. It deepens their understanding toward issues related to diverse cultures, and provides a foundation for explorations of their own selves. Among the United Nations Sustainable Development Goals (SDGs), SDG 4 "Quality Education" and SDG 10 "Reduced Inequalities" are used as the basis for building a future without prejudice, so that sustainable development can be achieved in every part of Taiwan.



Snapshots of Growing Up



Special Report on "Voices of Immigrants Behind the Lens"



Walsin Lihwa Collaborated with Fu Jen Catholic University Hospital to Create a High-Quality Healthcare Environment

Walsin Lihwa provided NT\$2.5 million in funding to Fu Jen Catholic University Hospital to install a set of full-function transesophageal echocardiography equipment, in order to improve the diagnostic precision and service quality of the hospital's emergency department, thereby enhancing the quality of medical services in the New Taipei City region and protecting the health of local communities. In the future, the Company will continue to pay attention to medical developments, actively fulfill the Company's CSR, bring greater positive impact society, and work with partners to build a healthy and sustainable future.

Sponsored Wire Materials for the Ministry of Labor's National Skills Competition

The Ministry of Labor organizes the National Skills Competition every year, providing a professional venue for the best performers in various occupations to compete on the same stage, and selects the best young participants with outstanding skills to represent Taiwan in international skills competitions. Walsin Lihwa sponsored the wire materials for the 54th National Skills Competition in the Industrial Control (industrial wiring) category in 2024 to support the development of vocational training and technical education.

Walsin Lihwa Supports Smart Education and Helps Optimize **Learning Environments**

With the government's promotion of smart education, interactive learning environments have become crucial for improving students' digital literacy and learning effectiveness. Walsin Lihwa has, for many years, been focused on children's education, and in 2024 the Company provided support to Taipei Municipal Taoyuan Elementary School for the establishment of smart classrooms with comprehensive functionality, thereby optimizing the learning environment and creating better learning conditions for students. This helps bridge the resource gap in education and ensures the Company continues to fulfill its CSR.

Walsin Lihwa Participated in Earth Hour

On March 23, at 8:30 p.m., the Walsin Lihwa Head Office building in Xinyi District, together with more than 18,000 other global landmarks in 192 countries and regions, participated in Earth Hour by turning off all lights for one hour. This helped reduce carbon emissions and raised public awareness toward climate change issues. Earth Hour is the world's largest annual sustainable energy-saving activity. The Walsin Lihwa Head Office building in Xinyi District has participated in Earth Hour every year since 2012, using tangible action to remind everyone that they have the ability and the responsibility to change the world. By conserving energy and reducing carbon emissions in everyday life, humanity can work together to protect the environment and contribute to the sustainability of the Earth.



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Support for Taiwan Art and Cultural Groups of Great Originality

Walsin Lihwa x Taiwan Lantern Festival in Tainan

The Lunar New Year in 2024 welcomed the Year of the Dragon, and Walsin Lihwa participated by sponsoring the artistic performances of the Taiwan Lantern Festival in Tainan City, where the Yenshui Plant is located. The main theme of the Lantern Festival this year was "Glorious Tainan", and featured spectacular lantern displays as well as performances from Taiwanese art groups, such as music, dance, parades, acrobatics, traditional opera, drone performances, and fireworks. The performers included Puppet & Its Double, FOCA Circus, Story Works, YiTzy Folk Dance Theatre, Ling Long Dance Company, DiDi Dance Theater, Scarecrow Contemporary Dance Company, Chi Shan Performing Arts Studio, Gui Li Yi Ge, etc., adding a lively atmosphere to the event.

#Sponsored groups: Taiwan Lantern Festival Exhibition Teams

#Location - Tainan HSR Exhibition Zone of the Taiwan Lantern Festival

#Monetary value of sponsorship: NT\$1,000,000





Supported Local Traditional Theater Performances in **Xinying District, Tainan City**

To help commemorate the 400th anniversary of Tainan's founding, the Yenshui Plant provided support to the "Twenty Years Around the Corner"performance event, in which a fusion of modern dance, traditional opera, wooden puppet shows, improvisational traditional opera, and lighting projections was performed to create new era of operatic art. This event showcased Tainan's spectacular and diverse culture.

#Sponsored groups: Pungo Dance Theater, Zu Ma Zhen, Fu-Cheng Puppet Theater

#Location - Xinying Cultural Center, Tainan City

#Monetary value of sponsorship: NT\$300,000





• Original Performing Arts

Walsin Lihwa employees and their families from the Taipei Head Office, Hsinchuang Plant, and Yangmei Plant were invited to a performance of A-Nee-Gu Gets into Trouble Again! YA~, a family-friend musical adapted from the novel My Little Boys by Taiwanese author Luo Yijun. The event helped create quality time for families, and ensured that art and culture could be incorporated into everyday life.

#Sponsored group: Aneegu Theatre #Location - Taipei City Hall Family Theater #Monetary value of sponsorship: NT\$300,000





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Support for Taiwan Art and Cultural Groups of Great Originality

The Chi Po-Lin Foundation's Green Vision Continues the Legacy of Beyond Beauty: Taiwan from Above

Walsin Lihwa sponsored the first Green Vision event held by the Chi Po-Lin Foundation, attracting enthusiastic participation from many employees. A variety of exciting activities were on display at the event, including video tours, live music performances, environmental documentary screenings and lectures, Tamsui culture walks, DIY handicraft courses, and a green market. The event allowed visitors to see and be inspired by environmental sustainability, as well as its deeper ideas and implementation, and explore new possibilities of symbiosis between human lives and nature.

In recent years, Walsin Lihwa has continued to invite employees to visit theaters to enjoy art and cultural performances, original films, and indigenous music concerts. The Company is committed to supporting the development of local arts and culture in Taiwan through tangible action. This year, the event included visual arts and environmental education. By sponsoring the Chi Po-Lin Foundation's Green Vision event, powerful images were used to express the idea that action must be taken to protect the environment, calling on the public to together create a future of sustainable living.



#Sponsored group: Chi Po-Lin Foundation

#Location of Green Vision - Tide Watching Artistic Plaza, Tamsui District #Monetary value of sponsorship: NT\$900,000



The Legacy Project of the Mei School of Traditional Peking Opera and the Republic of China Trilogy Drama Production

Traditional Chinese operas can help contemporaries understand ancient times and should be conserved and cherished. Supporting the legacy of traditional Chinese operas, Walsin Lihwa sponsored the Legacy Project of the Mei School of Traditional Peking Opera as well as the planning for the Republic of China Trilogy drama production by the Wei Haimin Chinese Opera Foundation to help preserve the culture of traditional Peking operas.

#Sponsored group: Wei Haimin Chinese Opera Foundation #Monetary value of sponsorship: NT\$300,000



Indigenous Culture Concert

To promote cultural inclusion and support young indigenous peoples in the performing arts, the Company organized the "Sanga'ayen ko rakat" corporate concert titled "Suming X Indigenous Culture Concert". Suming, a Golden Melody Award-winning singer from the Amis people, led a troupe of young performers from the village of A'tolan to perform at the event. Nearly 200 employees from the Taipei Head Office, Hsinchuang Plant, and Yangmei Plant and their families were invited to the concert.





Having once said, "I must know you first to like you; I must like you first to identify with you" Suming expressed his gratitude to Walsin Lihwa for the invitation to perform at the event, as well as to all the employees in the audience for attending the concert. It allowed everyone to feel how traditional and modern creative indigenous music can be combined, as well as better identify with the diverse cultures of indigenous peoples.

#Sponsorship group: Mita Idea

#Location - Red House Theater Performance Hall, Ximen District, Taipei City #Monetary value of sponsorship: NT\$600,000



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Highlights



No incidents of bribery, corruption, money laundering, anti-competitive practices, violations of the Company Act, insider trading, conflicts of interest, discrimination, harassment, personal information or privacy leakage, or other violations of business ethics occurred in 2024.



The number of participants in business integrity and legal compliance education and training increased by 200% compared to the previous year.



100% of employees signed the Statement of Compliance with the Ethical Management Policy and Code of Conduct (Taiwan and Mainland China regions).



Top 5% in Corporate Governance Evaluation; in 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



Class A certification

by the Taiwan Intellectual Property Management System (TIPS)



ISO 27001 Information Security Management certification

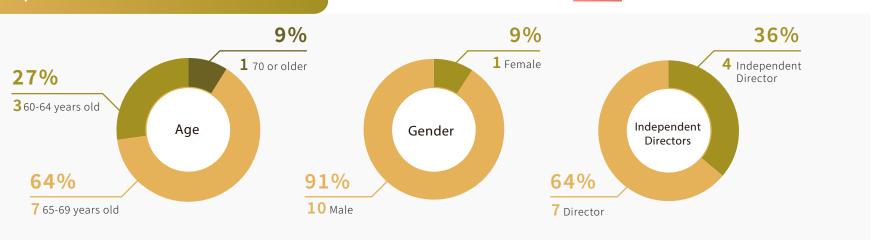


3,000 participants in education and training on information security in 2024.



Key and new suppliers' commitment to sustainability and self-assessment >95%

Composition of Board of Directors





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Sustainability Promotion Strategy: Commitment to business integrity and ongoing improvement of corporate governance to strengthen stakeholders'trust in 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.

Mid- and Long- Term Goals: Continuously deepen integrity management and legal compliance training, comprehensively enhance employees' awareness of compliance, integrity, and risk, and foster a robust corporate culture of integrity. Through the implementation of risk assessment and management mechanisms, ensure all company practices remain lawful and compliant.

2024 Objectives 2024 Results 2025 Objectives

- Improve information transparency: Establish
 a platform for tax information, compliance, and
 intellectual property in order to strengthen
 corporate compliance and data transparency,
 avoid high-risk behavior, and ensure business
 integrity.
- Internal and external promotion: Through internal training and announcements as well as external promotion activities, the Company strengthens employees and external partners' understanding of business integrity, intellectual property rights, and trade secret protection, and comprehensively raises compliance awareness.
- Intellectual property management and confidentiality mechanisms: Strengthen intellectual property management, including mechanisms for assessing risks, protecting intellectual property rights, and handling infringements. Regularly take inventory of confidential documents and optimize confidentiality regulations and promote the systematic management of trade secrets and incentive mechanisms.
- Integrity risk and second degree of kinship database: Expand the scope of risk assessments for unethical conduct and formulate risk management plans; actively establish a database for second degrees of kinship.

• The number of people who attended and completed the education and training on business integrity provided to Directors, senior management, and employees in general:

Courses for all employees

Intellectual property rights (including the Taiwan Intellectual Property Management System): 2,254 people

Trade secrets: 2,355 people

Insider trading prevention: 2,396 people

Business integrity: 2,399 people

Courses for Directors/managers and supervisors

Material information and insider trading promotion, as well as creating a friendly workplace (including sexual harassment prevention): 25 people

- The Company further improved the trade secrets and copyright management system, and added control units and confirmation points to the industryacademia cooperation and outsourced R&D processes, combined automation and systematic management, implemented automatic cross-plant information linking, and comprehensively strengthened intellectual property management.
- Made monthly reports on changes to the law and sustainability trends to the Board of Directors.
- Required all employees to sign the Statement of Compliance with the Ethical Management Policy and Code of Conduct: 100% signing rate in Taiwan; 100% signing rate in Mainland China.
- Ongoing implementation of a recusal system for matters involving persons within employees' second degrees of kinship.
- The Company continued to make steady progress in the implementation of risk assessments for unethical conduct. This year, Hangzhou Walsin was added to the scope of the assessments, in which data-driven assessments comprehensively examine the whole enterprise, from the management to entry-level employees. We also conducted an inventory of regulations and guidelines, inspected the internal control mechanisms in business processes, as well as identified potential vulnerabilities and accordingly formulated response measures and improved operating procedures.

to promote training on contract confidentiality, intellectual property protection, and anti-money laundering, as well as increase compliance awareness through the signing of a statement of integrity. Optimize loan and collection management mechanisms and

Strengthen risk management: Continue

- regularly monitor plant risks. Complete the establishment of the database for second degrees of kinship. Conduct risk assessments for violations of ethics, identify and prevent potential risks in advance, and ensure stable and transparent operations.
- Improve transfer pricing transparency:
 Strengthen internal transfer pricing compliance audits within the Group, optimize subsidiaries' related party transaction reports, ensure that internal management measures are properly implemented, and strengthen financial transparency and compliance.
- Align with international sustainability standards: Improve corporate governance, risk management, and third-party certification mechanisms, improve information disclosure transparency, deepen supply chain management and communication with stakeholders, implement ESG goals, and strengthen corporate resilience and commitment to responsibility.



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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. Mid- and Long- Term Goals: Continuously promote on-site sustainability audits and risk assessments across the supply chain, requiring and supporting suppliers to improve high-risk items accordingly. Incorporate sustainability evaluations into supplier selection criteria and regularly hold supplier conferences to communicate key management policies and issues.

2024 Objectives	2024 Results	2025 Objectives
 Hold in-person Supplier Partner Exchange Meetings (1 meeting each in Taiwan and Mainland China) and select 10 outstanding suppliers at each Exchange Meeting for special recognition. Onsite visits to 24 key suppliers with guidance provided to high-risk suppliers, and unscheduled visits to 83 suppliers. Promotion of the low carbon alliance 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. 	 Held 2 Supplier Partner Exchange Meetings (1 meeting each in Taiwan and Mainland China), and announced that supplier selection operations will be initiated in 2024. Conducted onsite visits to 35 key suppliers and provided guidance to 17 high-risk key suppliers, as well as conducted unscheduled visits to 133 suppliers. Promoted the low carbon alliance in conjunction with environmental and safety management, and invited 10 key suppliers to jointly reduce carbon emissions and collect 29 types of carbon emission data. Developed substitutes for 56 important raw materials along with 274 new suppliers. 	 Meeting for the first time. Implement onsite visits and follow-up guidance for 8 high-risk key suppliers, and conduct unscheduled visits to 75 suppliers. Development of substitutes for 46 important raw materials along with 160 new suppliers.



efficiency.

Customer Service

promotion of the electronic synchronization

system to strengthen customers' operational

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: 1) The Wire and Cable Business Group develops smart logistics and new service models to meet customer needs.

2 The Stainless Steel Business Group focuses on customer and industry development, service process optimization, and customer trust enhancement to create win-win situations.

- Mid- and Long-Term Goals: 1) The Wire and Cable Business Group continues to optimize processes and customer experience, enhancing service quality to expand its customer base.
 - (2) The Stainless Steel Business Group increases customer reliance through service value and supports customers in upgrading and

transformi	ng their industrial applications.	
2024 Objectives	2024 Results	2025 Objectives
 Wire and Cable Business Group Implement a supply chain collaboration platform together with a customer. Develop visualization functions for the customer service platform 	 Completed the development of the production environment of the supply chain collaboration platform with the target customer. Implemented the functionality to add items on the customer service platform, ensuring seamless connections throughout the whole process, from order placement to delivery. 	collaboration platform, improve the user experience, and onboard more partners onto the platform. Establish in stage, pay sustance relationship.
Stainless Steel Business Group Ongoing development of high-value products and industrial customers, and	 Improved customer service models, winning the approval of customers. Many industrial steel grades and product certifications were acquired in Taiwan, Mainland China, and overseas markets. 	Increase of the percentage of niche products to strongthon suctamore' competitiveness via local.

The coverage rate of the electronic synchronization system reached 41.8%

of customers, and the Company continues to optimize the system and

develop new functions.

strengthen customers' competitiveness via local

service and digital integration.



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3.1 Corporate Governance

3.1.1 Governance and Operation

Walsin Lihwa upholds the philosophy of operational transparency and the protection of shareholders' rights, and firmly believes that excellent corporate governance can only be built on a foundation of a sound and efficient Board of Directors. To realize this philosophy, the Board of Directors has established 4 functional committees: the Audit Committee, the Remuneration Committee, the Sustainable Development Committee, and the Nomination Committee. They assist the Board with fulfilling its supervisory duties, and are responsible for formulating and reviewing relevant policies and systems, thereby ensuring that Walsin Lihwa's philosophy can be promoted and implemented. The functional committees report their implementation status and resolutions to the Board of Directors on a regular basis in order to strengthen the Board's operations. In addition, Walsin Lihwa has created the position of Corporate Governance Officer, which is currently served by Vice President Ms. Hueiping Lo. The Corporate Governance Officer is responsible for preparing matters related to the Board of Directors, such as pre-meeting notifications, the taking of meeting minutes, providing Directors with information necessary for their duties, regularly reporting the status of Directors undertaking continuing education and Independent Directors' concurrent roles elsewhere and changes in shareholding. The Corporate Governance Officer also assists Directors in complying with laws and the Company's Articles of Incorporation, thus improving the Company's corporate governance and strengthening the Board of Directors' functions.

According to the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies, all directors have reached over 6 hours of continuing education in 2024, totaling 193.5 hours, achieving 100% compliance. Furthermore, in response to sustainable development trends, Directors at Walsin Lihwa have actively participated in a variety of sustainabilityrelated courses, covering topics such as "Development Prospects of the Nickel Industry and Sustainable Management of Resilient Supply Chains", "Carbon Credit Trading Mechanisms and Carbon Management Applications", and "2024 Cathay Sustainable Finance and Climate Change Summit". In 2024, the total hours of sustainability-related courses for all Directors reached 48 hours, accounting for 24.8% of total training hours.



The "Corporate Governance" page on the Company's website



For more information on corporate governance, please refer to Chapter III "Corporate Governance Report" in the Company's 2024 Annual Report

Board of Directors

The Board of Directors is the highest governance body and decision maker of Walsin Lihwa, and it is responsible for overseeing the Company's overall operations and management. The Company convened the Annual General Meeting on May 19, 2023 to elect the 20th Board of Directors (including Independent Directors) for a term of 3 years, with effect from the date of appointment. Article 14 of the Articles of Incorporation states that the number of Directors is 9 to 11, and must include at least 3 Independent Directors. The Walsin Lihwa Board of Directors consists of industry elites and financial experts. The current Board comprises 11 Directors. To strengthen the independence of the Board of Directors, the number of Independent Directors currently exceeds the statutory minimum requirement, accounting for 36% of all Directors. As of December 2024, the Company's Independent Directors are all in compliance with the relevant regulations of the Securities and Futures Bureau, Financial Supervisory Commission (FSC) regarding independent directors. In addition, the circumstances described in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act do not apply to any of the Directors or Independent Directors, thereby ensuring the independence of the Board of Directors. Furthermore, female Directors account for 9% of all Directors. Directors over the age of 50 account for 100% of all Directors. The Board of Directors meets at least once every quarter in order to effectively implement its functions of independent supervision and checks and balances. All proposals are reviewed by the Board of Directors and material resolutions are disclosed on the Company's website in a timely manner to ensure information transparency.



Operations of the 20th Board of Directors in 2024

Number of meetings: 9 meetings Attendance rate 91.67 %



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Governance Framework

Functional Committees	Percentage of Independent Directors	Major Duties	Status of Operat	ion in 2024 ^(Note)
Audit Committee	100%	Assist the Board of Directors with decision-making, supervise the proper presentation of financial statements, appoint and dismiss CPAs, CPA independence and performance, internal control, compliance, and risk control and management.	Number of Meetings	Attendance
Remuneration Committee	100% (B) (B) (B) (B) (B) (B) (B) (B) (B) (B)	Develop and regularly review the performance evaluation and compensation policies, systems, standards, and structures for Directors and managerial officers, and regularly evaluate and set the remuneration for Directors and managerial officers.	4	100%
Sustainable Development Committee	66.7 %	Develop sustainability policies, strategies, objectives and/or management guidelines, review individual promotion centers' annual plans, supervise and track the progress and results of implementation at individual promotion centers, and report them to the Board of Directors on a regular basis. Pay attention to major concerns of stakeholders and supervise the development of communication plans, review sustainability reports, identify sustainability-related opportunities and risks according to the enterprise risk management framework, and regularly supervise and control major risks.	5	90%
Nomination Committee	80% EEEEE	Assist the Board of Directors in finding candidates for Directors and senior executives, and assist in setting up the criteria for the independence of candidates. Develop plans for continuing education and succession for the Board and review such plans on a regular basis, as well as ensure compliance with the Corporate Governance Best Practice Principles.	7	100%

Note: The time period for the status of operations is from January 1, 2024 to December 31, 2024.

Directors' Recusal for Conflicts of Interest

Walsin Lihwa's Ethical Conduct Guidelines for Directors of the Board and Managerial Officers strictly require recusal for conflicts of interest and anti-corruption. 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 interests, the Director may not participate in discussion or 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, the essential content of the interest, and the status of recusal shall be recorded in the minutes for the best interests of stakeholders.



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Nomination and Election of Directors

Walsin Lihwa's Board of Directors have established the Nomination Committee Charter and Regulations for the Election of Directors to clearly specify the nomination, qualification, evaluation standards, and election procedures of Director candidates. The Nomination Committee is responsible for proposing candidate lists to the Board of Directors. After the Board of Directors carefully evaluates their qualifications, an election will be conducted in accordance with relevant laws and regulations and voted on at the shareholders' meeting. When nominating Independent Directors, Walsin Lihwa specially ensures that candidates' qualifications, professionalism, integrity, and concurrent positions are all compliant with regulations, and ensures compliance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the regulations of the competent authorities. Walsin Lihwa adopts a candidate nomination system and cumulative voting system. Shareholders are elected from the list of Director candidates. Acceptance of nominations and the announcement of procedures are in accordance with the Company Act and Securities and Exchange Act. Shareholders holding more than 1% of the Company's shares issued may nominate Director candidates in writing, thereby ensuring that shareholders can participate in the nomination process. Independent Directors and Nonindependent Directors are elected at the same time, but the numbers of elected candidates are calculated separately.

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 knowledge, 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. In 2024, there were a total of 11 Directors in the 20th Board of Directors: the Chairman Mr. Chiao, Yu-Lon, Vice Chairman Mr. Wang, Shyi-Chin, Mr. Chiao, Yu-Cheng, Mr. Chiao, Yu-Heng, Mr. Chiao, Yu-Chi, Mr. Hsia, Andrew, Ms. Hsieh, Wen-Chien, as well as 4 independent directors: Mr. Hsueh, Ming-Ling, Mr. Hu, Fu-Hsiung, Mr. Duh, Tyzz-Jiun, and Mr. Gau, Wey-Chuan. To realize the vision for corporate governance, Walsin Lihwa's Directors 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 the duties of the Board of Directors 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, concurrent positions at the Company or other companies, and professional qualifications, as well as board diversity and independence, sustainability-related training and ongoing education arranged for them, please refer to the Company's Annual Report.

The Company has implemented a Board of Directors diversity policy. The specific management goal is that the number of Independent Directors should exceed 1/3 of all Directors, and that no more than half of the Independent Directors may serve for more than 3 consecutive terms. Furthermore, the number of female Directors should account for at least 1/3 of all Directors. Currently, the Company's Independent Directors account for 36% of all Directors, and at least half of them have served fewer than 3 consecutive terms. The Board of Directors consists of 10 male Directors (91%) and 1 female Director (9%). Since the re-election of the 20th Board of Directors was completed in 2023, female Directors will be prioritized in the future, with the aim of achieving the goal of female Directors accounting for at least 1/3 of all Directors, thereby promoting Board of Directors diversity and governance quality.

Performance and Compensation

Walsin Lihwa's Board of Directors commissioned the Taiwan Corporate Governance Association, an independent organization with no business relationship with Walsin Lihwa, to conduct Board of Directors performance evaluations in 2018, 2021 and 2024 in accordance with the <u>Regulations</u> <u>Governing Board Performance Evaluation</u>. The review and evaluation of Directors' guidance and exchanges by a professional institution produced objective evaluation results and suggestions, which are used as references for continuous optimization of the Board of Directors' functions and quality of meetings. The 2024 Board of Directors and Functional Committee performance evaluation results have been completed, were reported to the Board on January 6, 2025. For detailed information, please refer to the Company website. Pursuant to the Rules for the Remuneration of Directors and



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90% Strategy and Management Indicator

Functional Committee Members, the Remuneration Committee takes

into account the Board's performance evaluation results and factors

in the Company's business strategy, profitability, future development,

business environment, and risk factors, and evaluates Directors'

participation in and contribution to the Company's operation, to submit

a Board Compensation Proposal, which is implemented after approval

by the Board of Directors. In addition, whether Director stock ownership

policies will also be taken into consideration will be evaluated. The

compensation policies for the President, Vice Presidents and equivalent

managerial officers are based on the Regulations for the Evaluation

of Managerial Performance and Compensation, taking into account

the Company's business strategy and profitability as well as the manager's performance and relevant market compensation levels. The

Remuneration Committee proposes the compensation policies, which

are implemented after approval by the Board of Directors. 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

shareholding percentages by providing priority stock subscription

rights to them for their subscription to follow-on offerings to strengthen

consistency with shareholder interests. In addition, corporate

governance has been included in the performance evaluation indicators

of managers, and is directly linked to compensation, bringing managers'

strategic goals toward Environmental, Social, and Governance (ESG)

issues and their achievement, as well as the managers' sustainability

responsibilities, into the key considerations for assessments. Walsin Lihwa has not yet established a remuneration claw back mechanism,

and will evaluate its inclusion in relevant policies in the future.

Policy and plan implementation results, business planning capability, profitability, decision-making capability, leadership and management capability, and staff training capability.

10% Sustainable Development Indicator

Improve the promotion of Walsin Lihwa's ESG aspects to achieve the Company's sustainability goals. The implementation results are determined based on the business integrity, social participation, environmental protection, and green operations overseen by the manager.

3.1.2 Sustainable Governance

Walsin Lihwa is committed to the rights and interests of stakeholders, and aims 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, employee well-being, 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 3-tier sustainable governance structure. The first tier is the Sustainable Development Committee, responsible for supervision and decision-making. There are 6 members in the current term of the committee, and an independent director is the chairperson of the committee. The second tier is the Sustainability Office, which is led by the Chief Sustainability Officer. The office is responsible for assisting in the formulation and execution of sustainable development strategies. The third tier includes 5 promotion centers under the committee, which are the Business Integrity Center, Environmental Safety and Health Promotion Center, Green Operation Center, Customer Service and Supplier Management Center, and Employee Relations and Social Engagement Center. These centers are responsible for sustainable development strategy and action plan development and implementation.

Sustainability Information Internal Control System

To strengthen the quality of sustainability information disclosure (including sustainability reporting), Walsin Lihwa has established an internal control system based on the "Reference Items for Assessing the Effectiveness of Internal Control Systems" announced by the competent authority, thereby ensuring the truthfulness, accuracy, and completeness of the disclosed content. Furthermore, the Company regularly reviews and evaluates the design and implementation of internal control systems in accordance with the requirements of the competent authority, and endeavors to propose internal control management mechanisms for sustainability information in order to benefit the Company's sustainable development strategies and improve the reliability and credibility of disclosed information.





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WISN

Sustainable Development Committee Organization

Board of Directors

Sustainable Development Committee

Supervision and Decision Making

Chief Sustainability Office

Implementation and Promotion

Business Integrity Center

- Formulation and promotion of policies related to business integrity in order to assist the incorporation of integrity and business ethics into the Company's operation strategies.
- Supervision, implementation result reports, as well as review and evaluation of the effectiveness of preventive measures to enable ethical management and achieve business integrity.

Environmental Safety and Health Promotion Center

- Walsin Lihwa's environmental protection, including green energies and ecological sustainability, as well as occupational health and safety policy development and implementation.
- Effective maternity protection and unlawful infringement prevention in cooperation with the Human Resources Division.
- Supervision, implementation result reports, and interdepartmental integration for effective implementation and promotion to help resolve relevant issues.

Green Operation Center

- Green operation strategy development, circular economy promotion, green manufacturing process optimization, and development of the green products and services of great future value.
- Supervision, implementation result reports, and interdepartmental integration for effective implementation and promotion to help resolve relevant issues.

Customer Service and Supplier Management Center

- Customer service and supplier sustainability management policy development and implementation.
- Supervision, implementation result reports, and interdepartmental integration for effective implementation and promotion to help resolve relevant issues.

Employee Relations and Social Engagement Center

- Healthy and safe workplace development for employees to fully develop their talents, and availability of reasonable compensation and benefits.
- Public welfare influence enhancement and promotion through active corporate citizenship, care for the underprivileged, environmental protection, and neighborhood improvement to take concrete and ongoing action to provide feedback to society.

The Sustainability Office assists in the planning and execution of strategies, with the following key responsibilities:

- 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 implementation result reports provided to the committee, and
- Annual sustainability report structure development and compilation.



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Sustainable Development Committee Operation

Communication Plan	Communication Mechanism	Frequency
IFRS Sustainability Disclosure Standards	The guidelines issued by the competent authorities and other related regulations are followed to continuously monitor the implementation project of the IFRS Sustainability Disclosure Standards, and progress is reported to the Board of Directors.	Quarterly
Financial Supervisory Commission Sustainable Development Roadmap	Environmental Safety and Health Promotion Center's quarterly reports to the Board of Directors on the greenhouse gas inventory and verification schedule planning at Walsin Lihwa and its subsidiaries.	, c
Follow-up of the implementation plan in the current year	The Sustainable Development Committee meets on a regular basis with annual implementation progress reports provided by the Sustainability Office and individual promotion centers.	
Results of the implementation plan in the current year and the implementation plan for the following year	The Sustainable Development Committee meets on a regular basis with the implementation results of the current year and the following year's implementation plans provided by the Sustainability Office and individual promotion centers, and progress is reported to the Board of Directors.	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.	

International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards Implementation Project

In response to the international trend of sustainability-related financial information, and in accordance with the FSC's "Roadmap for Taiwan Listed Companies to Align with IFRS Sustainability Disclosure Standards", Walsin Lihwa is one of the listed companies that will apply the Standards in 2026, and proactively launched preliminary preparatory activities in 2024. This year, the Company referenced the S1 and S2 standards issued by the International Sustainability Standards Board (ISSB) to establish the Cross-departmental Task Force to Adopt the IFRS Sustainability Disclosure Standards, which is responsible for identifying key gaps between current sustainability disclosures and IFRS standards, formulating the implementation plan, and overseeing execution. On a quarterly basis, the progress and results will be discussed and approved by the Sustainable Development Committee, then reported to the Board of Directors for supervision, thereby ensuring the smooth progress of various operations.

		regular reporting of implementation progress of the Board of Directors will begin in Q1 2025. The "Sustainability Information Section" will be dissubmitted to the shareholders' meeting before Manasimultaneously with the Financial Report.					
2024 Q4	2025		2026				2027Q1
Stage 1: Analysis and Planning	Stage 2: Design and Execut	the control of the co				Stage 4: Adjustments and	
Building awareness and analysis of current short-comings	Identification of major sustainabili- ty risks and opportunities	Analysis of financial and operational status	Framework desi of a special sust ability informat section	tain-	Trial version of the annual report	Analysis of annual applicability	Official version of the annual report
Implementation Progress	¦ 2. In Q1 2025, bas	 Stage 1 of the IFRS Sustainability Disclosure Standards roadmap was completed in December 2024. In Q1 2025, based on the resolution passed by the Sustainable Development Committee, the progress report was submitted to the Board of Directors, and the filing of ESG Information on MOPS was completed by April 2025. 					



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Consolidated Financial Performance

Unit: NT\$ million

ltem	2021	2022	2023 (After re- editing)	2024
Operating revenue	156,665	180,401	189,840	179,318
Net profit / loss after tax	15,257	19,140	5,863	2,598
Earnings / loss per share (NT\$)	4.27	5.45	1.31	0.69

2024 Distribution of Economic Benefit

Unit: NT\$ million

Item	Amount
Operating revenue	179,318
Non-operating income and expenses	343
Direct economic value generated (A)	179,661
Operating costs (costs + expenses) - (Employee wages and benefits)	165,915
Employee wage and benefit expenses (Personnel expenses)	11,236
Payments to providers of capital (Shareholder dividends)	6,793
Payments to government (Taxes and penalties)	5,642
Community investments	69
Direct economic value distributed (B)	189,655
Economic value retained (A-B)	(9,994)

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



Note: Other refers to non-core product sales as well as real estate, leasing, and other project revenues.

In 2024, Walsin Lihwa's consolidated revenue amounted to NT\$179.3 billion, a decrease of 5.54% from 2023. The net income after tax was NT\$2.6 billion, with earnings per share of NT\$0.69. The income tax paid was NT\$5.64 billion, 3.15% of the total revenue. For further information on other financial performance analyses, please refer to the 2024 Annual Report.

Tax Management

Walsin Lihwa's commitment to a corporate culture of business integrity requires all business activities to comply with local laws and regulations 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.
- Assess and respond in a timely manner 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

Item	2021	2022	2023	2024
Net profit before tax	19,122	23,402	7,334	2,511
Income tax expense	3,865	4,262	1,471	-87
Effective tax rate (%)	20.21%	18.21%	20.05%	-3.46%
Income tax payment	1,255	2,732	1,690	5,642
Cash tax rate (%)	6.56	11.67	23.04	224.69
Income tax percentage in operating revenue (%)	2.47%	2.36%	0.77%	-0.05%

2024 Income Tax^{Note}

Unit: NT\$ million

Taiwan	Asia (Excluding Taiwan)	Europe
1,910	3,633	99

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.



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↑ 3.3 Business Integrity

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 Ethical Principles and the Procedures for Ethical Management and Guidelines for Conduct passed by the Board of Directors 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

Walsin Lihwa's Business Integrity Center is managed by the Corporate Governance Officer to assist the Board of Directors 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 of Directors at least once a year for supervision by the Board. The duties and functions of the Corporate Governance Unit and the Business Integrity Center are as follows:



Business Integrity Center Scope of Responsibilities





Integrity Concepts

maintain compliance in operations.

Implement and promote integrity concepts such as not making or accepting bribes, not providing improper benefits to others, and not damaging the interests of others, as well as commit to improving information transparency and ensuring that corporate operations are open and fair.



Sustainable Development

Respond to climate risks and opportunities, strengthen corporate governance, enhance communications with stakeholders, promote sustainable development, and realize the creation of long-term value.

Communications for this Year

The Business Integrity Center holds quarterly review meetings to review and discuss the implementation status of its responsibilities. It reports the implementation results to the Sustainable Development Committee every 6 months, thereby ensuring the effective promotion of sustainable development goals. The meetings in 2024 were as follows:

March	June	July	September	November	December
Business Integrity Center Q1 Meeting	Business Integrity Center Q2 Meeting	Sustainable Development Committee H1 Meeting	Business Integrity Center Q3 Meeting	Business Integrity Center Q4 Meeting	Sustainable Development Committee H2 Meeting



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Education and Training on Business Integrity

Walsin Lihwa 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 members of the Board of Directors, employees, as well as suppliers and contractors to enable top-down development of an ethical and integral corporate culture. In 2024, the education and training implemented by the Business Integrity Center included:

• Organized education and training on business integrity (anti-corruption), trade secrets, prevention of insider trading, intellectual property rights (including TIPS), raw material procurement processes and legal risks, and information security, thereby promoting relevant policies and conveying the importance of integrity and compliance to Directors and employees. All 11 Directors completed the courses on material information, insider trading, and friendly workplaces (including sexual harassment prevention). A total of 2,399 employees in Taiwan and Mainland China completed the training, representing a completion rate of 42.1%. The training status of employees is as follows:

	Taiwan				a		
	Plant	Number of Attendees	Number of Employees	Completion Rate (%)	Number of Attendees	Number of Employees	Completion Rate (%)
Candar	Male	1,769	2,606	67.9%	240	2,214	10.8%
Gender	Female	240	402	59.7%	150	470	31.9 %
Danihian	Managerial	366	378	96.8%	120	324	37.0%
Position	Non-managerial	1,643	2,630	62.4%	270	2,360	11.4%
	Subtotal	2,009	3,008	66.8%	390	2,684	14.5%

Note: 1. Definition of managerial position: Management positions at subsection level (inclusive) and above.

2. Completion rate: Number of people who completed the training and passed the test / Number of employees in the year.

- The <u>Ethical Conduct Guidelines for Employees</u> and the Employee Code of Conduct were promoted to new employees during their onboard training, in order to help them understand Walsin Lihwa's <u>Ethical Management Best Practice Principles</u> and the <u>Procedures for Ethical Management and Guidelines for Conduct</u>.
- Walsin Lihwa requires all suppliers and contractors to sign the <u>Supplier Management Commitment</u>, which includes information related to business integrity and provides key suppliers with training on business integrity (anti-corruption), compliance, and sustainability trends, thus conveying the Company's values and emphasis on business integrity.

Due Diligence Results

During the annual evaluation of the risks of unethical behavior, specific plants are selected by the Business Integrity Center to review their processes, regulations, and accounting, and improvement measures are formulated based on the findings. In 2024, Hangzhou Walsin Power Cable & Wire Co., Ltd. was selected for assessment, and was evaluated to be low risk in terms 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 stipulate that the Company shall refrain from active participation in political parties, political activities, or lobbying. From 2019 to 2024, no political contributions were provided to any political or lobbying group.



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↑ 3.4 Risk Management and Compliance

3.4.1 Risk Management

To ensure soundness of management and sustainable development, Walsin Lihwa adopts the enterprise risk management (ERM) framework to continue identification and evaluation of various possible risks, and monitors 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

Occupational

safety

Human resources

management

Corporate

image

3 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:



report to the Board of Directors at least once a year.

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Risk Management Policies and Operations

Walsin Lihwa's Risk Management Policy and Procedures are the highest guiding principles 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, and encouraged employees to 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 2024 status of risk management was reported to the Audit Committee and Board of Directors respectively on November 1 and November 8, 2024.

Risk Control Mechanisms

Walsin Lihwa's risk management is intended to mitigate the impacts from internal and external risks, using 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. For further information on relevant risk types and risk control mechanisms, please refer to Table 1 in the Risk Management Policy and Procedures.

Risk Management Process



Risk Management Categories



Financial Risk

Financial goals affected by domestic and overseas interest and exchange rate fluctuations, raw material prices, and supply chain risks.



Information Security Risk

Threats to the confidentiality, integrity, and availability of information assets and personal information at the Company due to natural, man-made, or technical reasons.



Strategy and **Operational Risk**

Risks resulting from business strategies, domestic and overseas competition, technology R&D, industrial cooperation, as well as policy and law changes.



Environmental, Carbon Reduction, and Energy Risk

Risks resulting from issues related to global climate change, geographical resources, carbon reduction milestones set by individual governments, as well as relevant energy, fiscal, and tax policies.



Corporate Sustainability Risk (ESG Risk)

ESG risks derived from global corporate sustainability issues.



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Emerging Risk

Walsin Lihwa has included emerging risks into risk management supervised by the Board of Directors. The Company pays attention to the global environmental and industry trends in order to identify emerging risks every year, taking into account the Company's comprehensive business development and future planning.

Three Steps of Identification

STEP 1. Commencement of Identification of Emerging Risks

Develop a list of emerging risk factors as the basis of the Company's risk assessment by referring to the annual risk reports issued by credible external organizations, including global environmental change and development trends and the Global Risk Reports released by the World Economic Forum (WEF).

STEP 2. Assessment of Emerging Risks

Individual risk management units discuss the potential impacts by referring to the list of emerging risk factors, thereby identifying the probability of occurrence and degrees of impact, as well as developing countermeasures accordingly.

STEP 3. Identification of Emerging Risks

The President's Office compiles the identification results to determine the emerging risks, which are submitted to the Board of Directors for reference.

Results of Identification

Description

Artificial intelligence (AI) has been developing rapidly, and it is predicted that the generative AI market will exceed US\$100 billion by 2030, with an average annual growth rate of 35%. This increases the threat of misinformation.

Furthermore, employees sometimes use generative AI to increase their work efficiency, but this may lead to leaks of confidential information and endanger the Company's operations.

Potential Impact

Employees are unable to verify whether the information obtained from Al involves trade secrets, which leads to potential concerns about rights infringement. Similarly, other parties may be able to use Al to obtain confidential information, the improper use of which could increase the chances of leaks of confidential information or trade secrets. This could lead to a loss of confidentiality for the Company's trade secrets as well as damage to the Company's reputation and trust, which in turn could hurt the Company's competitiveness.

Countermeasures

- Raise awareness regarding information security risks and regularly conduct social engineering drills, and include information security and trade secrets as mandatory courses for employees each year, thereby enhancing employees' defensive awareness.
- Strengthen information security incident reporting and drills, set up scenario drills such as ransomware attacks or malware collecting data on the intranet, and strengthen employees' familiarity with communication procedures and response abilities.
- Walsin Lihwa has formulated the Confidential Document Management Measures
 to define the classifications and access permissions of various confidential
 documents. Furthermore, highly sensitive data is encrypted, and access is
 limited to authorized personnel only, thereby ensuring the proper preservation
 and management of trade secrets and confidential information.



Increased

Data from the Ministry of the Interior show that the number of newborns in Taiwan has continued to decrease in recent years. Furthermore, the National Development Council predicts that Taiwan is expected to become a "super-aged society" in 2025. With declining birthrates and an aging workforce, the labor gap has become increasingly obvious, and talent recruitment has become more difficult. In the future, there will be a severe risk of labor shortages.

Due to the imbalance between supply and demand in labor, it will be difficult for the Company to recruit suitable workers in this uncertain future. Furthermore, in response to the increasing demand for talent in transitioning or emerging sectors, the Company will need to increase the recruitment of external talent and adjust the competencies of internal employees, which will cause higher overall personnel costs.

- Expand the Company's international locations and global presence, and actively recruit international talent and strengthen the Company's multi-cultural teamwork capabilities.
- Strengthen the Company's campus recruitment and regularly organize campus recruitment activities to attract high-potential young talent in advance, thereby ensuring a steady supply of human resources in the future.
- Strengthen employee retention measures and enhance employees' sense of belonging and long-term development opportunities through talent development plans, employee benefits, and incentive and remuneration programs.

Intellectual Property Rights 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, Walsin Lihwa commenced implementation of the Taiwan Intellectual Property Management System (TIPS), which was certified in the same year. Class A certification by the TIPS was granted to Walsin Lihwa for the second time in 2021 and successfully passed the third TIPS Class A recertification in 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 and planned the development of a trade secret management system 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 8, 2024, the status of implementation and annual plan were reported to the Board of Directors.



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Grievance and Suggestion System and Protection of Whistleblowers

Walsin Lihwa encourages employees and outsiders to report corruption. bribery, as well as unethical conduct and other misconduct. Walsin Lihwa has enacted its Guidelines for Suggestions and Complaints by Stakeholders and set up the **Stakeholder Communication Area** on Walsin Lihwa's website. Stakeholders can leave their suggestions and complaints on the website to Walsin Lihwa'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 misconduct 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 2024, 6 complaints and 2 suggestions were received, and all 8 cases were processed according to relevant regulations. Suspicious activities or misconduct included:



Internal Audit

Walsin Lihwa has a robust internal audit system and has appointed independent directors to ensure the effective operation of internal control and reporting mechanisms; management also closely monitors the improvement results for internal control deficiencies. The Auditing Office—an independent unit with a Chief Audit Executive and dedicated auditors—reports directly to the Board of Directors and regularly attends Board meetings to present audit reports. The Chief Audit Executive and Independent Directors 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. Extraordinary meetings may be convened in the case of major abnormalities. 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.

3.4.2 Information Security

To build an information system framework that is "digitally sustainable" and promote the Company's goal of digital transformation, Walsin Lihwa is promoting an information security strategy that focuses on strengthening information security resilience. The Company has established a comprehensive information security protection platform and runs simulation drills, and has integrated Al automated detection and defense technology. By improving the Company's information security technical protection measures Walsin Lihwa can leverage real-time and proactive defenses against information security risks, thereby laying a foundation for digital sustainability and meeting the government's policy goal of "information security is national security".

In the face of increasingly severe information security threats, Walsin Lihwa has implemented information security defenses based on the NIST CSF and CISA ZTA frameworks that are rigorous in both depth and scope, thereby comprehensively and effectively identifying information security risks faced by the Company and implementing effective control measures in real time to reduce information security risks. Additionally, the Company is actively promoting "net zero carbon emissions" and strengthening "cloud information security". Walsin Lihwa will continue to optimize information security protections and implement an integrated cloud–on-premise information security management framework. Information systems and backup mechanisms will gradually be transitioned to cloud-based ones in order to improve operational efficiency and information security standards, which will help the Company attain the goal of net zero emissions.

Information Security and System Maintenance Division for Information Security Management Promotion

The Chief Information Security Officer (CISO) and the Information Security and System Maintenance Division of Walsin Lihwa are responsible for information security management promotion, including information security policy development, planning, and coordination, as well as the 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.



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Establishment of the 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 reviews and decisions of matters related to information security management. The Board of Directors also has several members with information technology-related backgrounds on the Audit Committee, which supervises and reviews the Company's 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 standardized information security policies, thus complying with relevant laws and regulations as well as the competent authorities' requirements. In 2024, 13 information security regulations were amended to comply with ISO 27001:2022, as well as domestic and overseas laws and regulations and respond to external changes.

Information Security Management System (ISMS) Implementation and Compliance

Walsin Lihwa introduced the ISO 27001 Information Security Management System (ISMS) in 2022, and has formulated detailed management strategies for information authorization, data backup, system development, outsourcing management, and intellectual property rights. The Company successfully obtained ISO 27001:2013 certification in 2023, and was subsequently certified under the updated ISO 27001:2022 version in 2024, further strengthening the Company's security protection related to threat intelligence, configuration management, and cloud services. Walsin Lihwa has adopted the Plan-Do-Check-Act (PDCA) methodology for quality management, and has comprehensively built an information security management system to ensure confidentiality, integrity, and availability. Walsin Lihwa continues to optimize information security measures based on the management framework of pre-incident prevention, real-time monitoring, and post-incident response. In 2024, the Company has conducted 4 external third-party information security risk assessments and further strengthened information security protection, ensuring the long-term security and stability of corporate information resources.

Information Security Policy and Objectives

The objective of Walsin Lihwa's information security is to protect the confidentiality, integrity, and availability of sensitive customer data and business information. Through the joint efforts of all employees, internal and external information service users, and third-party service providers, the Company is committed to achieving the following policies and goals:

- Comply with internal and external regulations to protect the Company's confidential information and prevent unauthorized access, tampering, destruction, or improper disclosure.
- Protect the Company's business information, prevent unauthorized access or disclosure, and ensure the accuracy and completeness of business information in order to effectively protect trade secrets.
- Set up comprehensive business continuity planning and information security incident management procedures to ensure that the Company can properly respond to and handle incidents, and conduct regular drills to ensure the continuous operation of information systems or services.
- Properly handle and protect personal information and intellectual property rights in accordance with domestic and foreign laws and regulations, such as the Personal Data Protection Act and laws related to intellectual property.
- Regularly conduct information security compliance reviews, examine and implement the information security management system, and ensure compliance with the plan-do-check-act (PDCA) process in order to achieve continuous optimization.
- All employees must maintain a high level of awareness toward information security, and supervisors at all levels shall be responsible for overseeing and managing information security through activities such as management reviews, risk assessments, internal auditing, education and training, and information security drills, thereby achieving the goal of reducing risks from using information technology.
- All employees of the Company are required to comply with the Information Security Policy, management regulations, and SOPs. Any violation of the Information Security Policy or related regulations will be handled in accordance with applicable laws or Company rules.



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Development of Information Security Resilience for Effective Information Security

Walsin Lihwa has developed information security plans for information security policy implementation year by year, introducing information security systems and workflow standards, and continuously improved the comprehensiveness of information security technologies and relevant protection measures. 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. These objectives 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:

- Information protection mechanism planning and implementation to decrease confidential information leakage risks.
- Continue introducing advanced information solutions to enable effective system, host, and network behavior management and protection.
- Reinforcement of protection of external information service to effectively block hacker attacks.
- Provision of education and training on a regular basis to share new knowledge on information security and strengthen employees' awareness of information security.
- Focus on important systems to conduct disaster backup drills on a regular basis to rapidly resume operation in case of any disasters.
- Implementation of endpoint detection and response (EDR) to strengthen endpoint, server, and network equipment protection.
- Implementation of a security operation center (SOC) to enable effective and timely responsiveness to security issues.
- Reinforcement of cloud information security management through Zero Trust to help achieve digital and ESG sustainability.
- Introduction of AI automated technology to assist in information security detection and protection.



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.



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.



Confidentiality levels of information assets

Implement adequate access authorization and protection based on the confidentiality levels of information assets to reduce risks.



Security Management Scope



Technical measures for information security

Continue bringing in advanced information solutions to enable effective system, host, and network behavior management and protection.



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.



Incident response and digital forensics

Develop rapid responsiveness to information security events, i.e., detection of such incidents as early as possible for rapid responsiveness and containment of attacks.



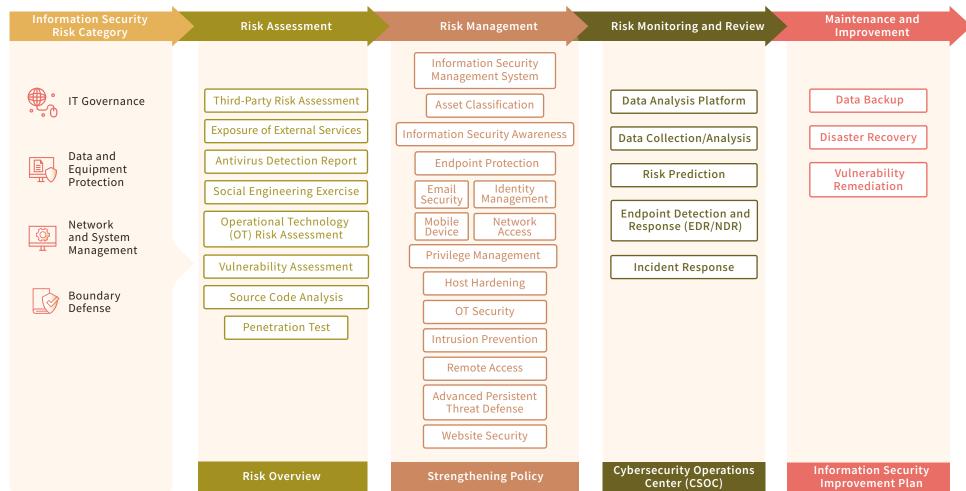
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Information Security Risk Management



Education and Training on Information Security

Walsin Lihwa regularly organizes Information Security Month every year, which lasts for one month. The Company also provides compulsory information security training courses for all personnel. In 2024, over 3,000 employees participated in the courses, and 6 email social engineering drills were conducted, with more than 2,500 participants for each drill. Employees who failed the drills were required to complete online information security courses and pass tests. In addition, the Company comprehensively implemented information security incident reporting management and drills this year, including the organization of incident reporting, the reporting and handling processes, and the external communication mechanisms, thereby comprehensively improving the Company's internal incident response and handling capabilities.



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2024 Results

There were no major information or communication security issues, no confidential information leakage, and no related damage to the Company or its customers this year.

3.4.3 Regulatory Compliance

Foundation of Regulatory Compliance: Corporate Culture of "Commitment to Business Integrity"

A corporate culture of "commitment to business integrity" refers to how all business activities must comply with local laws and regulations of Taiwan and the place of business. Walsin Lihwa stresses to our employees that they must refrain from violating relevant laws and regulations when pursuing business profits.

Monitoring and Evaluation of Relevant Business Laws and Regulations

Walsin Lihwa is 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 the protection of consumer safety and health rights as required by the industry's competent authority and the Fair Trade Act. Accounting-related risks are mainly related to the tax laws and tax collection regulations in each country, as well as their anti-money laundering regulations. Public companies are required to comply with the Company Act, the Securities and Exchange Act, and corporate governance and ESG related regulations.

Violations and Penalties

No bribery, corruption, money laundering, anti-competitive practices, violations of the Company Act, insider trading, conflicts of interest, discrimination, harassment, personal information or privacy leakage, or other violations of business ethics occurred in 2024. However, there were incidents of non-compliance with the Labor Standards Act and Labor Law, related material penalties (higher than NT\$100,000 or RMB 22,000) and the status of improvements are listed below:

Plant	Cause	Cause	Status of Improvement	Amount of Fine
Yenshui Plant	Violation of legal working hours	Article 32, Paragraph 2 and Article 36, Paragraph 2, Subparagraph 2 of the Labor Standards Act	Additional settings were added to the system on the maximum number of overtime hours, holidays, and rest days are set in the system, to prevent accidental violations. The Human Resources Division provides managers with the latest statistics on a weekly basis, and working hours are reviewed and tracked at regular meetings.	NT\$150,000
Changshu Walsin	Violation of legal working hours	Articles 36 and 41 of the Labor Law; Article 25 of the Regulation on Labor Security Supervision of the People's Republic of China	The scheduling of shifts was adjusted to achieve reasonable manpower allocations, thereby mitigating the issue of overly long overtime hours.	RMB 170,000

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★ 3.5 Supply Chain Sustainability and **Customer Service**

With businesses throughout the upstream, midstream, and downstream parts of the wire and cable and stainless steel industry chains, Walsin Lihwa procures many items, and the Procurement Management Center is responsible for the assessment of supplier ESG risks, the selection and management of suppliers, and procurement. The Board of Directors has approved the establishment of the Sustainable Development Committee as the highest decision-making body for supplier management policies and supplier sustainability strategies. Walsin Lihwa is well aware that supply chain sustainability is key to the realization of corporate sustainable development, and upholds integrity, fairness, standardization, efficiency, and service in every step from procurement to production in order to live up to the Company's commitment to corporate social responsibility.

Sustainable Supply Chain Management Targets for Taiwan and Mainland China Plants

Goal	Achievement Rate
100% of contractors and transportation providers complete contractor safety training	100%
100% of key suppliers complete a written review	100%
Provide improvement plans for 100% of high-risk key suppliers	95% Note

Note: The 2024 review targets are key suppliers classified as high-risk in the 2023 risk assessment. The goal of 100% was not achieved because there were no transactions with some suppliers in 2024, so reviews were not conducted.

3.5.1 Sustainable Supply Chain Policy

Supplier Sustainability Policy

Walsin Lihwa's policies, such as the "Supplier Management Measures", "Supplier Social Responsibility Performance Appraisal Principles", and "Sustainable Procurement Management Measures" ensure suppliers meet requirements on quality, cost, timely delivery, and service quality. There are also written evaluations and onsite audits to track suppliers'performance in issues such as environmental protection and human rights, thereby ensuring suppliers fulfill their social responsibility and promoting the sustainable development of the supply chain.

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

Implementation of the green supply chain project in conjunction with environmental and safety management, gradually compile carbon coefficients, and expand sustainable supply chain management into Mainland China plants. The Indonesian plants plan to obtain the Responsible Minerals Initiative (RMI) certification in 2025.

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.
- Place importance on the written evaluation of suppliers.
- Place importance on regular supplier onsite audits.
- Place importance on suppliers' ESG improvements.
- Place importance on contractors' construction safety and safety education.
- · Place importance on suppliers' employee education and equity.
- Place importance on suppliers' promotion of human rights and support for biodiversity.

For information on the upstream, midstream, and downstream parts of Walsin Lihwa's supply chain, please refer to Chapter 5 - Business Overview in the Annual Report and the Company's website.



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Establishment of the Procurement Management System

In response to corporate governance requirements and to integrate procurement resources, as well as implement Walsin Lihwa's procurement culture (transparency, sustainability, professionalism, and efficiency), in 2024 Walsin Lihwa launched the "Walsin Lihwa Procurement Network and Procurement Management Platform" project at the Taiwan plants in order to expand the benefits of Yantai Walsin Stainless Steel's price inquiry platform. The next-generation platform will further expand the standardization and transparency of Walsin Lihwa's procurement process. The implementation is expected to be completed at the end of 2025. The system will be launched at Walsin Lihwa's business units in Taiwan in 2026, with suppliers gradually invited to participate.

Walsin Lihwa's systematic management will effectively improve the efficiency, transparency, and fairness of the Company's procurement. The platform's functionality will include collecting suppliers' carbon emission data by filling out specific fields in the system, which will enable the establishment of carbon footprint management mechanisms in conjunction with overall policy planning, thereby realizing the carbon reduction commitment of the supply chain. In addition, procurement teams will travel to suppliers and conduct onsite reviews to deepen partnership relationships. Moreover, in response to the Company's policy of promoting green supply chains, suppliers will work with the Walsin Lihwa Low Carbon Alliance to jointly turn the green value chain trend into reality.

Identification of Key Suppliers

To implement effective supplier management, during the identification of key suppliers Walsin Lihwa takes into account considerations such as important raw materials, materials, assets and equipment, project contracting, waste treatment, and outsourcing; in accordance with the "Supplier Management Measures" formulated by Walsin Lihwa, the Company also examines factors such as procurement value, importance, influence, uniqueness, and strategic cooperation when selecting key suppliers. Out of a total of 5,413 suppliers as been selected as key suppliers are also the targets for the promotion of supply chain resilience and strengthening supplier corporate social responsibility.

- Note: 1. Suppliers are defined as companies that are documented, paid, and managed in accordance with the procurement process and have records of goods received in the current year, excluding duplicate suppliers within affiliated entities and different factory locations.
 - 2. Includes suppliers of the Taipei Head Office, Wire and Cable Business Group (Hsinchuang Plant, Yangmei Plant, Shanghai Walsin), Stainless Steel Business Group (Yenshui Plant, Taichung Plant, Yantai Walsin, Changshu Walsin, Jiangyin Walsin (Specialty Alloy Materials)), Real Estate Business Group, Walsin Precision, and European stainless steel suppliers.

Local Procurement^{Note 3}

Walsin Lihwa works together with suppliers in the pursuit of corporate sustainability and growth. The Company continues to engage in local procurement, promote local economies, and reduce energy consumption in transportation. The proportion of local suppliers in procurement expenditures in each region was 52.71% in the Taiwan region, 18.36% in the Mainland China region, and 29.94% in the Europe region, respectively. Overall, 27.45% of key suppliers are local suppliers. Note: 3. Local suppliers are defined as suppliers directly engaging in transactions with Walsin Lihwa and whose location of business registration (Note) is in the same country as the production site.

Green Procurement

Walsin Lihwa is committed to green procurement. In accordance with the Sustainable Procurement Management Measures, the Company prioritizes the purchase of products or services with lower environmental impacts, thereby encouraging the production and use of green products and driving green consumption. Walsin Lihwa reports a green procurement amount of approximately NT\$130 million to the Department of Environmental Protection of Taipei City Government for 2024, mainly focusing on nickel chromium pig iron raw materials from the Stainless Steel Business Group, the Wire and Cable Business Group's forklifts (leased), 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 and iron bobbins to decrease the procurement of new ones. The Stainless Steel Business Group also actively utilizes recycled materials such as scrap steel, scrap copper, and scraps. In 2024, green procurement expenses in Taiwan amounted to about NT\$7.716 billion, 13.70% of the total procurement in Taiwan.



2024 Green Procurement in Taiwan Total Spending NT\$ **77.16** billion Accounts for **13.70**%

Supply Chain Risk Management and Countermeasures

In response to the escalation of various trade restrictions resulting from geopolitical issues and pandemic events, Walsin Lihwa has implemented proactive contingency measures, such as strengthening partnerships with suppliers, regular reviews of the establishment of reasonable safety stock inventories, and the active development of alternative resources, in order to ensure the stability and flexibility of the supply of various materials. In 2024, 56 new substitute raw materials were successfully developed for the Taiwan and Mainland China plants, thereby preventing the risk of material shortages.



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3.5.2 Implementation of Supply Chain Management

Training of Procurement Personnel

To implement sustainable supply chain management and strengthen the professional capabilities of procurement personnel regarding sustainable management, Walsin Lihwa organized a number of education and training sessions for procurement personnel in Taiwan and Mainland China in 2024. In addition to explaining the impact of climate change and global carbon reduction goals, the courses also shared Walsin Lihwa's implementation results in the Walsin Lihwa Low Carbon Alliance, which has received support and resources from the government. The courses allowed personnel to learn about hot topics in the market as well as Walsin Lihwa's own actions regarding carbon management. Relevant education and training will continue to be held in the future in Taiwan and Mainland China from time to time.

Titles of Training Courses

Implementation Status and Practices of the Walsin Lihwa Low Carbon Alliance

Group: 1 session, 67 participants

Use of International Trade Conditions in Sustainable Development Goals, and Controlling Procurement and Transaction Risks

Wire and Cable Business Group: 1 session 22 participants; Stainless Steel Business Group: 1 session 74 participants

Dow Jones Sustainability Indices (DJSI) Supply Chain Management Requirements and Operational Guidelines for Key Supplier Risk Assessment

Group: 1 session, 56 participants

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

STEP.1	STEP.2	STEP.3	STEP.4	STEP.5	
New Suppliers Onboarding	Supplier Management and Identificationof Key Suppliers	Identification of Key Supplier Risks	Supplier Audit and Guidance Mechanisms	Tracking of Improvement Process	
New suppliers are required to sign the "Supplier's Undertaking" and expressly commit to complying with the Company's business standards and sustainability requirements. Furthermore, suppliers are required to complete the "CSR Sustainability Self-Assessment Form for New Suppliers" and conduct a basic CSR assessment to ensure that suppliers comply with the Company's sustainable management philosophy.	Performance evaluations are conducted monthly and annually, and onsite visits are made from time to time, to comprehensively monitor the operating status and performance of suppliers. For the identification of key suppliers, the Company comprehensively considers their sustainable governance capabilities, business relevance, corporate strategic cooperation, and potential country-specific, industry-specific, and product-specific risks, thereby precisely identifying key parts of the supply chain.	Key suppliers fill out the Supplier "CSR Self-Assessment Form", and the risk level of key suppliers is identified based on the responses	Onsite audits and interviews of high-risk key suppliers are implemented to provide suitable counseling and assistance to key suppliers based on their different sustainability risks.	The effectiveness of improvements is tracked regularly, and procurement from suppliers without improvement will be decreased, or such suppliers will be disqualified.	
		8 high-risk key suppliers were identified in 2024 based on situation investigations (including but not limited to the supplier self-assessment form, onsite reviews, and written	Tracked the improvements made by the high-risk suppliers identified in 2023 and implemented written reviews or onsite reviews (onsite audits) Completed in 2024:	If high-risk key suppliers do not show improvement after guidance and onsite reviews, transactions with them will be suspended in accordance with the Company's Supplier	
The proportion of new suppliers that signed the "Supplier's Undertaking" and completed the self-assessment form both reached >95%	 141 key suppliers were selected in 2024 based on supplier ESG impact risks and business relevance The screening criteria included: Geopolitical risks Industry-specific risks Product-specific risks 	reviews)	 Onsite reviews and guidance for 17 high-risk key suppliers Onsite visits to 45 non-high-risk key suppliers All the above review information has been retained for future reference. 	Management Measures and with management approval.	



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New Supplier Assessment

In 2024, a total of 617 new suppliers^{Note} were added the Taiwan, Mainland China, and Malaysia plants. The "CSR Sustainability Self-Assessment Form for New Suppliers" was used to assess the social and environmental impacts of the new suppliers and ensure that the Company's supply chain complies with environmental protection and sustainable development principles. A total of 596 questionnaires were collected (response rate of 96.60%). In terms of environmental protection, Walsin Lihwa has established specific management measures and procedures for carbon reduction in order to enhance suppliers' carbon management capabilities. The Company will also organize discussions on specific topics at the Supplier Partner Exchange Meeting in order to strengthen suppliers' carbon management awareness.

To ensure that new suppliers meet social standards and reduce supply chain risks, Walsin Lihwa requires all contractors and transportation providers to take 2 hours of contractor safety courses provided by environmental protection, occupational health and safety, and logistic units before entering plants, thereby maintaining safe working environments.

Note: If European stainless steel suppliers are included, the total number of new suppliers in 2024 was 1,283.

Sustainability Commitments and Self-Assessments of Suppliers in Taiwan and Mainland China Plants^{Note}

			Supplier's Undertaking		Self-Assessment Form	
Year	Category	Number of Suppliers	Number of Signatures	Percentage of Signatures	Number of Signatures	Percentage of Signatures
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	156	153	98.08%	153	98.08%
	New Suppliers	787	784	99.62%	774	98.35%
2024 -	Key Suppliers	139	133	95.68%	138	99.28%
	New Suppliers	617	596	96.60%	591	95.79%

Note: Includes suppliers of the Taipei Head Office, Wire and Cable Business Group (Hsinchuang Plant, Yangmei Plant, Shanghai Walsin), Stainless Steel Business Group (Yenshui Plant, Taichung Plant, Yantai Walsin, Changshu Walsin, Jiangyin Walsin (Specialty Alloy Materials)), Real Estate Business Group, and Walsin Precision.

Key Supplier Risk Identification

Walsin Lihwa aims to grow alongside the Company's partners in order to strengthen and implement sustainable supplier management. The Company evaluates suppliers' quality, timeliness of completion and delivery, service, and communication and coordination abilities, thereby ensuring that they can meet the Company's requirements and further strengthening supplier management mechanisms. To enhance suppliers' awareness of and commitment to sustainable development, suppliers of the Taiwan and Mainland China plants are required to sign the "Supplier's Undertaking" and ensure that they comply with related management regulations.

Walsin Lihwa also invited key suppliers to respond to the Company's "Supplier CSR Self-Assessment Form" to assess their management status, including economic aspects (sustainable governance, supplier management, and protection of trade secrets), social aspects (human rights, occupational health and safety), and environmental aspects (environmental management systems, greenhouse gases, air pollution, water resource management, and waste management). Analysis of suppliers' sustainability management was based on questionnaire findings, enabling the Company to assess the probability of threats to sustainability and degrees of impact, as well as identify how key suppliers under such threats would impact the operations of Walsin Lihwa, and to what severity, and develop early warning mechanisms. There were 8 highrisk suppliers in 2024. The main issues and follow-up improvements were:

Economic aspect

Regarding sustainable governance, the main factors that affect the calculation of risk values are suppliers' failure to implement management policies, such as codes of ethical conduct or ethical management policies, disciplinary measures for violations, or any lack of appropriate ESG planning. These factors were used to identify major risks, thereby preventing supply chain disruptions or abnormalities. To this end, suppliers are not only encouraged to include relevant matters in their implementation guidelines, but are also required to commit to creating comprehensive guidelines in writing for the following year.

Environmental aspect

Regarding waste management, the suppliers have managed legal waste removal companies, but did not audit them on a regular basis. Therefore, suppliers will be asked to include waste management in their routine audits, to be conducted in conjunction with Walsin Lihwa's onsite inspections and awareness-raising activities.



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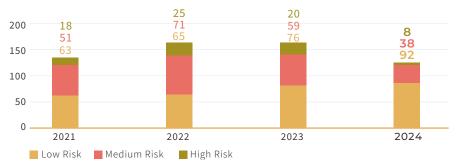
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Risk Identification for Key Suppliers in Taiwan and Mainland China Plants



Supplier Audit and Guidance Mechanisms

To enhance the scope and depth of supply chain sustainability development, in 2024 the Supplier Partner Exchange Meeting was expanded, and onsite audits and interviews of selected key suppliers were conducted to provide corresponding guidance and assistance based on individual sustainability risk issues, thereby preventing and lowering risks. The implemented measures included:

- Held communication and discussion meetings on a regular and as-needed basis to support suppliers' growth and improve their business quality.
- Continue to carry out pre-work safety education and training for 100% of current contractors.
- Onsite reviews of suppliers' ESG practices, and continue to improve the assessment and checking of deficiencies.
- Identification of procurement process risks through methods such as system management and assessment forms.

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

In 2024, Walsin Lihwa actively promoted its sustainable development policies and common goals by making unscheduled visits to 133 suppliers. Moreover, Walsin Lihwa organized the Supplier Partner Exchange Meeting, inviting local and overseas supplier partners from the Stainless Steel Business Group, Wire and Cable Business Group, and Resources Business Group to participate in 2 events held respectively in Taiwan and Mainland China. The aim of these Exchange Meetings was to deepen collaborations with suppliers, enhance their ability to address sustainability issues, and encourage them to incorporate sustainable development into their corporate management agendas.

For the Exchange Meeting in Taiwan, the theme was "Low-Carbon Sustainability, Smart Future.". In Mainland China, the slogan for the Exchange Meeting was "Low-Carbon and Smart for a Win-Win Future". These events allowed the Company to work with suppliers and explore global sustainable development trends. Both Exchange Meetings featured 3 themed seminars: "Walsin Lihwa's Sustainable Business Development", "Corporate Green Sustainability and Carbon Reduction", and "Digital Applications of AI and Upgrades to Business Operations". Experts from industry and academia were invited to participate. The goal of these Exchange Meetings was to enhance suppliers' knowledge of sustainable governance, strengthen their risk management mechanisms, and for Walsin Lihwa to jointly respond to market challenges alongside suppliers, thereby promoting sustainable supply chain management, fulfilling CSR, and gradually achieving ESG sustainability goals.

In addition, in 2024, a signing ceremony for strategic cooperation agreements was held for the first time at the Exchange Meeting in Mainland China, where Walsin Lihwa signed cooperation agreements with key strategic partners. The purpose of these agreements is to strengthen supply chain resilience, as well as jointly seek innovation opportunities, deepen collaborations, and achieve mutual growth and sustainable development.





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Supplier Partner Exchange Meeting



98 suppliers participated

(Taipei Head Office, Hsinchuang Plant, Yangmei Plant, Yenshui Plant, Taichung Plant)



120 suppliers participated

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

Areas of Focus for the 2024 Supplier Partner Exchange Meetings

Environmental Responsibility

- Share the results of the Walsin Lihwa Low Carbon Alliance and communication of Walsin Lihwa's 2025 goals in order to facilitate supply chain carbon management.
- Reduce anxiety regarding carbon reduction and share guidelines for achieving net zero by SMEs.

Social Responsibility

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

Corporate Governance

Promote important anti-trust regulations.

Outstanding Supplier Selection Mechanism

In 2025, Walsin Lihwa will for the first time be implementing an outstanding supplier selection mechanism, in which suppliers' performance in sustainable development and common transactions will be comprehensively evaluated. The evaluation criteria will include: Production of products with national green labels, outstanding performance in carbon emissions management, and excellent performance in common transactions such as product quality, delivery, and service.

Suppliers selected will be invited to participate in the annual Supplier Partner Exchange Meeting, where they will be publicly commended for their outstanding contributions. They will also be invited to share their practical experiences, thereby promoting knowledge exchanges and collaborative growth throughout the supply chain. Furthermore, when all other conditions are equal, outstanding suppliers will be prioritized for transactions and price negotiations in future business opportunities, thus further deepening mutual collaborations and jointly working together to attain sustainable development goals.

3.5.3 Customer Service

Walsin Lihwa adheres to a spirit and philosophy of serving customers: Focus on customer and industry development, optimize the service process, and enhance customer trust to create a win-win situation. To strengthen customer service quality and efficiency, the Wire and Cable Business Group precisely manages customer requirements, quotations, and complaints in order to dynamically adjust supply, as well as accurately forecast customer demand and optimize production plans in order to enable timely deliveries. Walsin Lihwa is committed to becoming customers' most trusted partner through ongoing service process optimization, responsiveness to customer requirements and feedback, and cooperation for joint development.

The highlights of the Wire and Cable Business Group's various plants' customer service can be seen in the following examples. The Stainless Steel Business Group has continued to implement digitalization projects to optimize service quality, including the full deployment of a CRM system in both Taiwan and Mainland China, the integrated management of business activities such as quotations, customer complaints, and billing, thereby enhancing the quality and efficiency of customer service. The electronic synchronization system launched in 2023 serves to shorten communication times for orders between customers, and facilitates customers tracking the progress of orders as well as inventory adjustments. The first demonstration customer began using the system in 2023, and since then the system has been used for 41.8% of all shipments as of 2024. In the future, the system will be expanded to more customers in order to further enhance customers' competitiveness. In addition, in response to international trends in carbon fees and carbon tariffs, Walsin Lihwa is participating in the Industrial Development Administration, Ministry of Economic Affairs' Net Zero Transition Program for the Manufacturing Division, and has created the "1+N Carbon Management Demonstration Team" alongside the Company's partners. To date, 11 customers have joined the program. By leveraging the prior experience of upstream steel mills, the Company can help downstream customers conduct carbon inventory and energy-saving diagnostics, thereby jointly promoting low-carbon transformations in the stainless steel industry chain.



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Hsinchuang Plant

Creating a New Model for Convenient Order Placements: Upgrading the Customer Service Website to Support Construction Sites

The number of construction projects has increased rapidly in recent years, and accordingly customers' order volumes for cables have also significantly risen. However, personnel at construction sites often encounter difficulties when they are identifying and choosing cables, which can affect project efficiency as well as progress. To address this pain point, we launched a brand-new customer service network in 2024, specially tailored for specific work sites. The new customer service network's page design and requirement fields have undergone comprehensive upgrades; customers can use the intuitive interface to accurately select the exact cables they require, reducing the occurrence of errors. The entire process, from placing orders to delivery, is seamless, which means that orders and delivery can both be completed quickly and efficiently. This innovation not only improves convenience for customers using the system, it also strengthens our ability to quickly respond to market demand. Going forward, we will continue to optimize the system to make it more convenient for customers, which will help them complete every project smoothly.

Yangmei Plant

Promoting the Circular Economy: A Key Step Forward in Copper Recycling Applications

Walsin Lihwa's Copper Wire Division successfully obtained ISO 14021 certification in the middle of the year, and in December 2024, Walsin Lihwa was awarded the Green Mark Award in the Recycled and Circular category at the 2nd SGS Green Sustainability Achievement Presentation,

and was highlighted as a success case on the SGS website. This not only demonstrates Walsin Lihwa's tangible achievements in promoting a circular economy, but has also injected more vitality into the industry's efforts to achieve a sustainable future.



In terms of tangible results, the Yangmei Plant has successfully supplied several tons of bare copper

wire made from recycled copper for trial use by two major domestic electronics manufacturers. The products have shown that they can be stably applied to general cable applications, and currently progress is being made toward the goal of meeting maximum wire break requirements for ultra-fine wires. We are continuing to improve quality based on customer feedback. In the future, we aim to use recycled copper in more high-end sectors, thereby creating more possibilities for the circular economy and environmental sustainability.

Shanghai Walsin

Steady Growth in Customer Satisfaction and Planning for Future Markets

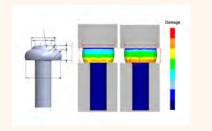
Over the past 3 years, the Shanghai power plant has achieved outstanding performance in customer satisfaction; the satisfaction rate from 2022 to 2024 was 88%, 91%, and 89% respectively, demonstrating a steady growth trend, especially in product quality and service. Looking towards the future, we will increase our brand promotion efforts, actively expand our presence in markets such as new energy, the national network, and central government enterprises, and continue to enhance product competitiveness. We will strive to attain higher goals and continue to provide customers with excellent products and services.

Yenshui Plant

Using CAE Software to Help a Downstream Customer Accelerate the Fastener Development Process

We collaborated with customers in the wire drawing business to use computer-aided engineering (CAE) software to simulate various material parameters for cold-rolled steels, thereby allowing Walsin Lihwa to

provide design suggestions for fastener molds, shape limit parameters, processing parameter data, and other indicators based on the customer's process requirements. This reduces the number of tests that the customer needs to run as well as the number of required mold combinations. The end result is that the customer can adapt more quickly to new materials or optimize the processing processes for their existing materials, thereby achieving lower costs and enhanced competitiveness.





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Wire and Cable Business Group

Distributed a total of 215 questionnaires and recovered



169 questionnaires



Effective response rate: 78.6%

The respondents' revenue coverage ratio: 70.4%

Stainless Steel Business Group Distributed a total of 215 questionnaires and recovered 216 questionnaires Effective response rate: 93.9% The respondents' revenue coverage ratio: 82.5%

Customer Satisfaction

2024

The Wire and Cable Business Group held a total of 32 key customer interviews in 2024 to gain a more in-depth understanding of customer feedback on product quality, collect and analyze customer requirements, and promote material improvements and new product testing. For example, Walsin Lihwa and customers jointly developed innovative products such as large wind turbine cables and fast charging cables, providing customers with stable support and technical protection for expanding into new markets. On the other hand, the Stainless Steel Business Group worked closely with customers via the product expert service team to resolve technical pain points. In addition to routine visits to customers to develop an understanding of their use of materials, 43 customer technical seminars were also held in Taiwan in 2024 to discuss quality issues, track the progress of new product testing, and conduct discussions on specific technical topics, thereby helping customers optimize their use of materials, such as adjusting processing procedures and equipment parameters.

In terms of customer satisfaction, the overall satisfaction of the Wire and Cable Business Group reached 89.28%, maintaining the same level as 2023. Specifically, the quality satisfaction rate has risen to 90.03%, which reflects customers' high satisfaction with products' reliability and stability. The service satisfaction rate reached 91.4%, which shows that customers appreciate the Company's service efficiency and support. The business conditions satisfaction rate remained at 74.68%, demonstrating stable performance. The delivery satisfaction rate slightly increased to 89.1%, demonstrating Walsin Lihwa's strong supply chain and logistics capabilities. The customer satisfaction survey conducted by the Stainless Steel Business Group showed that the overall satisfaction rate did not reach the expected target of 84.9%, in which the drop in delivery satisfaction was the most significant. In recent years, factors such as international raw material prices and a lethargic stainless steel market have caused the overall supply chain to retain low inventory, resulting in downstream customers having higher requirements regarding shorter delivery times and more precise delivery dates. To responsed to these challenges, Walsin Lihwa leverages digital technology to predict customer procurement requirements, and has optimized production schedules to enable precise delivery dates, thus ensuring timely deliveries. This will lead to higher customer satisfaction regarding the Company's deliveries.

Wire and Cable Business Group Customer Satisfaction



Note: The Wire and Cable Business Group includes the Hsinchuang Plant, Yangmei Plant, and Shanghai Walsin.

Stainless Steel Business Group Customer Satisfaction



Note: The Stainless Steel Business Group includes the Yenshui Plant, Taichung Plant, Yantai Walsin, Changshu Walsin, Jiangyin Walsin (Specialty Alloy Materials) and European stainless steel.

Protection of Customer Privacy

Adhering to the principle of protecting business information and customer privacy. Walsin Lihwa has established regulations such as the Ethical Conduct Guidelines for Employees 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 2024, the Company did not violate the privacy of its customers and did not receive any complaints from customers about the violation of their privacy.



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Highlights



R&D expenses in 2024 amounted to NT\$499,304,000



Refinement of wire and cable as well as stainless steel production processes led to a carbon reduction of 5,306 tons of CO₂e.



By launching the electric vehicle replacement project for diesel vehicles, PT. Walsin Nickel Industrial is expected to reduce CO₂e by **581** tons per year.



8 types of stainless steel have obtained ISO 14021 recycled material certification, with recycled material content reaching over RC 80%.



Delivered 9.5 MW wiring harnesses—a CleanTech product—for offshore wind turbine towers, and successfully obtained certification for 14MW high-voltage wiring harnesses from major international wind turbine manufacturers.



The CCS2 charging cable set received Voluntary Product Certification (VPC), and high-power DC liquid-cooled charging cables passed IEC certification, fully meeting the fast-charging requirements of large-capacity battery electric vehicles, electric buses, and electric trucks.



The utilization rate of recycled packaging materials for wire and cable products was 53.28%.



The percentage of scrap steel used for raw materials for stainless steel production was 46.65%.









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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.

Objectives for 2024 2024 Results **Objectives for 2025** Implementation Guidelines: 1 Commit to advancing green business and playing a key role in the green supply chain. 2 Promote environmental friendliness and enhance corporate competitiveness through circular economy practices. Mid- and Long-Term Goals: Develop renewable energy and green products for new energy vehicles, create submarine cables for offshore wind farms, and actively invest in the research and development of thermoplastic recycled XLPE insulation materials, as well as environmentally friendly, recyclable, and low-carbon cable materials. Wire and · Develop 3 new CleanTech products. Developed 4 CleanTech products, including 2 wind turbine Develop 3 new CleanTech products. Cable Commence mass production of 9.5MW DC wiring tower cables and 2 EV charging plugs. • Supply the 14MW high-voltage wiring harnesses for offshore harness for offshore wind turbine towers. • Completed the full delivery of 9.5MW wiring harnesses for wind turbines. Conduct evaluations of recycled PE pellets and offshore wind turbine towers. • Apply recycled PE materials to produce finished plastic reels engage partners to progress to the application Conducted application testing of recycled PE pellets. and deploy them in actual operational environments. testing stage, ensuring practical implementation. 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. Mid- and Long-Term Goals: Develop green processes that optimize production and improve yield, and research high-performance green products, such as those with high machinability, high strength, high heat resistance, and soft magnetic properties, to enhance application performance and successfully enter the green industry. • Development of process optimization - green Through process refinements, electricity consumption was • Continuously promote process improvement and refinement to Stainless process for energy saving and carbon reduction. reduced by 821,188kWh and natural gas consumption was increase productivity, effectively reduce power consumption, • Development of high-performance green reduced by 247,776m³, which is equivalent to a carbon energy consumption, save water, reduce waste, and achieve the Steel products to enhance the performance at the reduction of 1,230 tons of CO₂e. carbon emission target. application end. Completed the development of 4 high-performance • Enhance core technologies such as materials, processing and • Enter the green industry - green energy, new stainless steel wire rods. applications, and develop high-performance green products. energy vehicles. • Accelerate new product development and apply technical service

- 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.

Mid- and Long-Term Goals: Maintain stable operations while continuously promoting and developing green energy and carbon reduction projects to fully achieve sustainable development.

Resources Business

- The Indonesian plants continue to maintain a high utilization rate of ≥90%.
- Explore plans to reduce combustion and carbon emissions by 10%-15%.
- The Indonesian plants have obtained the ISO 9001 certification.
- The utilization rate of PT Walsin Nickel Industrial Indonesia and PT. Sunny Metal Industry was 95% in 2024.
- Through collaboration with Taiwanese research institutions and technical units at the manufacturing sites, research was conducted to optimize the rotary kiln process of PT. Walsin Nickel Industrial. Conducted carbon reduction simulations for coking gas recovery in the second half of 2024, which is expected to be implemented in Q1 of 2025.
- PT Walsin Nickel Industrial Indonesia and PT. Sunny Metal Industry both obtained ISO 9001, ISO 14001, ISO 45001, and ISO 14064 certifications.
- Maintain stable production in factories and reduce energy usage.

capabilities to increase the number of customers in the green industry.

- Up to 20% of coal combustion was replaced with coking gas recovery.
- The Indonesian plants have obtained the ISO 14067 Carbon Footprint of Products Certification and the ISO 50001 Energy Management Certification.



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4.1 Product and R&D Innovation

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 industry chain, upstream supplier management, and implementing green procurement. Throughout the manufacturing process, we integrate smart technologies to achieve green manufacturing. Additionally, by increasing the proportion of CleanTech products, we aim to create shared value with customers and establish a sustainable business model. The Company actively positions itself within the new energy sector, responding to the government's policy of promoting renewable energy, and supports the development of stable and resilient grid infrastructure. We also collaborate with upstream, mid-stream and downstream suppliers to establish a green industrial chain, continuously reduce the carbon footprint of products and enhance the added value of our products. In the future, we will also actively invest in the research and development of related clean technology and continue to refine our products and technologies.

Note: CleanTech revenue is derived from the Wire and Cable Business Group (products include PV cable/solar busbar wire, offshore and onshore wind power cables, EV charging plugs and feeders for renewable energy integration); Stainless Steel Business Group (heat exchanger connectors (wind power generation), solar panels (solar power), fasteners (electric vehicles/ wind power generation), seat belt parts (electric vehicles), automotive screws (electric vehicles) and slag reutilization); Resources Business Group (nickel for electric vehicle batteries).

Product Output of All Products

Unit: metric

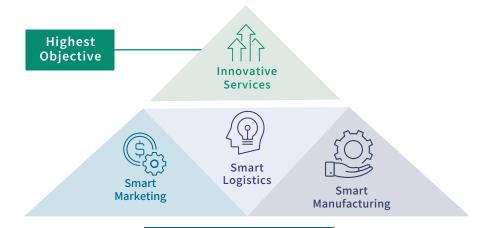
Item	Smelting Copper	Wire and Cable	Steelmaking	Steel Strand	Nickel Pig Iron (Nickel tonne)
2021	201,646	48,143	514,323	75,911	14,258
2022	165,794	45,537	562,897	66,806	40,956
2023	119,049	36,848	671,656	41,456	89,406
2024	131,568	53,679	725,799	6,637	83,563

4.1.1 High-value Transformation

Promotion and Implementation of High-value Transformation: Driven by Core Competencies, **Embracing Intelligence**

Walsin Lihwa promotes a number of systematic initiatives in the Wire and Cable and Stainless Steel Business Group to accelerate highvalue transformation. The results and action plans implemented this year are listed below:

Wire and Cable Business Group Strategies



Unfolding the Strategies

In line with the Group's overall strategy of transforming "manufacturing" into "manufacturing services", the Group has Smart introduced value-added services such as automated order picking Marketing and smart logistics systems to enhance service value, sales efficiency, and customer satisfaction. Introduced Internet of Things (IoT) and big data analysis to achieve

intelligent process management and comprehensive control, covering all stages from supply chain management, production scheduling, logistics and distribution to after-sales service, aiming to increase production efficiency, advance quality, and reduce costs.

Smart Manufacturing

Smart

Logistics

Introduced advanced automated and intelligent equipment as well as optimized manufacturing processes to achieve comprehensive process visualization and enhancement, thereby improving production efficiency and quality to meet diverse customer needs.



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Yangmei Smart Manufacturing Plant



Smart Manufacturing

In 2024, the Wire and Cable Business Group applied IoT technology and equipment monitoring systems to establish a high-efficiency production facility at Yangmei Smart Manufacturing Plant. By collecting data and monitoring production processes, we can track the status of production and sales, reduce manual intervention on the production line, and address uncertainties between product design and manufacturing, thereby minimizing the use of raw material and carbon emissions. Future initiatives include installing solar power generation systems and deploying high-efficiency automated production equipment to achieve an annual carbon reduction target of 1.5%.

▼ Advanced Warehousing and Logistics

Warehousing automation can help companies streamline the process of moving products in and out of the warehouse with minimal manual labor. It automatically records and retains product entry and exit information, thereby reducing human input errors and ensuring accurate delivery. The hardware setup and commissioning of the Automated Storage and Retrieval System (AS/RS) was completed in 2023, and it was officially put into operation in 2024, bringing more efficient and flexible warehousing management and enhancing the efficiency of the supply chain.

The AS/RS warehousing system improves storage efficiency and management through high-rise racks, storage and retrieval machines (SRM), and warehouse management systems. It significantly reduces manual labor, increases storage space utilization, and enables 24-hour uninterrupted operations.

- First in, first out(FIFO) Automatically records the inflow and outflow of raw material, storage duration, and ensures FIFO management.
- Quick packaging Automatic picking and sorting using robotic arms.
- Efficient shipping Suggesting optimal storage locations to improve inbound and outbound efficiency.
- Precision distribution Integrating with the Transportation Management System (TMS) to achieve precision distribution.



▼ Automated Material Handling System (AMHS)

In 2024, Walsin Lihwa launched the Automated Material Handling System (AMHS). It includes Level 1 logistics facilities (AGV/ASRS/Lifter), Level 2 Material Control System (MCS), and Level 3 Manufacturing Execution System (MES) system. The MES dispatches delivery tasks to MCS, which assigns automated guided vehicles (AGVs) to select the optimal route for transportation. This reduces delivery time, increases factory efficiency and equipment utilization, and realizes comprehensive smart manufacturing.

Automatic Handling System

AGVs are essential for high-efficiency smart factories. The system manages factory-wide handling tasks and enhances handling efficiency, thereby achieving unmanned transportation by automatically adjusting the dispatch tasks based on the storage area, vehicle size, and route optimization.

- Flexibility High-efficiency AGVs with laser reflection positioning to freely configure routes and rules.
- **Diversity** Capable of transporting avariety of materials, such as coiled, racked, and shaft -mounted items.
- Optimization The vehicle control system analyzes the optimal route for transportation.

Automatic Feeding Platform

The feeding platform centralizes wire feeding into the interlayer, equipped with an automatic frame changer and tension control system to ensure uninterrupted and stable production.

- Three-dimensional The feeding platform is installed on the interlayer to maximize space utilization.
- **Centralization** Reduces manual operations through centralized feeding.
- **Unmanned operations** The Material Control System (MCS) integrates autonomous transport with a vertical lifter system for line deliveries, achieving fully unmanned handling.



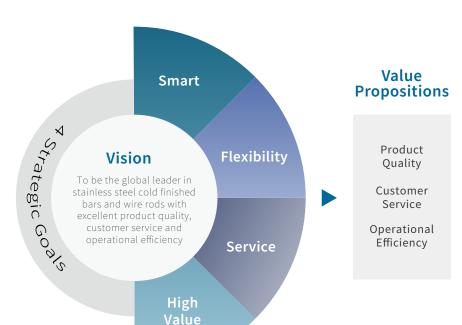
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Stainless Steel Business Group Strategies

Walsin Lihwa is committed to the development of higher-value stainless steel products, and to this end the Company has integrated its global supply chain to provide high-quality materials such as steel slabs, wire rods, seamless pipes and tubes, and precision rolled thin sheets to meet diversified applications. In recent years, we have expanded our market share and entered high-end applications such as aerospace and oil and gas in Europe and the Americas through strategic acquisitions. At the same time, we have promoted circular economies and accelerated green transformations by launching the Com. Steel Inox S.p.A (hereinafter referred to as "Inox") stainless steel and nickel-based alloy recycling business. The Company has obtained multiple international certifications such as ISO, IATF, NADCAP, and NORSOK to ensure that product quality meets international standards. Our products are widely applied in the aerospace, automotive, energy, and construction industries. With technological innovation and market penetration, we continue to upgrade the stainless steel industry in order to become a reliable partner for cold finished bars and wire rods around the world.



High Value Define industry, market, and product positioning

The Stainless Steel Business Group's development vision is to position cold finished bars as the important foundation of the Stainless Steel Business Group, and target high-value industries and markets through strategic goals. Additionally, the Business Group will construct a blueprint for future product development through internal and external analysis by "observing from afar and observing up close", and explore the automotive, oil and gas, energy, petrochemical, marine, and construction industries as the basis and target for achieving our strategic objectives, thereby quickly seizing the first opportunity and moving 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 6 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 "CoreCompetence Projects" and "Automation Projects"

Market and customer concerns focus on what differentiated services and products Walsin Lihwa 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 Projects. The Core Competence Projects cover various manufacturing and non-manufacturing functions such as steelmaking, steel rolling, pickling, cold finishing, technology, operations, and business. Many Core Competence Projects were completed in 2024.



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4.1.2 CleanTech R&D and Investment

The Wire and Cable Business Group continued to focus on net zero emissions in 2024. Efforts included ongoing research and development of products for the CleanTech industry such as solar power, wind power, and electric vehicles. The group also developed low carbon, environmentally friendly materials to support low carbon policies and sustainable operations, including materials that comply with the Technical Inspection Association (TÜV) energy storage standard, and invested in recycled and eco-friendly insulation materials development. 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 IoT cable applications for Industry 4.0, such as heavy port machinery and automated terminal systems, and a number of products have been developed, including high voltage cables and hybrid cables for automation applications. Products that were developed in 2024 include electric vehicle DC liquid-cooled charging cables that support currents up to 800A, high voltage cable sets for 14MW offshore wind turbine towers, and high voltage jumper cables for offshore wind turbines. In order to realize the goal of zero-carbon power transmission and distribution, the Wire and Cable Business Group plans to develop a variety of cable modules for green energy applications, which are not only innovative in design, but also stable in quality and have been certified under the European safety standards (IEC), Voluntary Product Certification (VPC), and the North American safety standards (UL). Other than the CCS2 charging cable obtaining VPC series certification in 2024, the high-power DC liquid-cooled charging cables that are designed for electric vehicles have obtained the IEC certification this year, capable of meeting fast charging requirements of large-capacity battery vehicles and electric buses and trucks. In offshore wind power, the high-voltage cables for 14MW offshore wind turbine towers have been certified by major international wind turbine manufacturers in 2024, and the high-voltage jumper cables for offshore wind turbines have also obtained the manufacturers' approval. This shows that Walsin Lihwa's exceptional quality of wind turbine cables has extended beyond Taiwan and reached the global stage of the wind power industry. Through continuous research and development, the Stainless Steel Business Group provides essential products for CleanTech industries such as solar power, wind power and electric vehicles.



Applications

High current, fast charging cable

Large wind turbine tower cables for

Large wind turbine tower cables for

Automotive, energy, and aerospace

Industrial heat treatment furnace's

Power plant ultra-supercritical boiler

equipment adjacent to the ocean, etc.

Welding of dissimilar metals between

low-carbon austenite or dual phase

Petrochemical, chemical industry,

Sealed compressor terminals for

refrigerators, and automobiles

stainless steel and carbon steel

high temperature transmission

conveyors and furnace tubes

applications

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offshore wind farms

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New Product

High voltage cable in wind

Offshore wind turbine high

turbine towers for 14MW

offshore wind turbine

voltage jumper cables

High-strength and heat-

resistant stainless steel

High heat-resistant

High heat-resistant

creep resistance

Glass sealing alloy

stainless steel with high

Dual phase stainless steel

(chrome vanadium steel)

cracking, sensitization and

stainless steel for welding

high corrosion resistance of

Resistant to post-weld

stainless steel

800A DC liquid-cooled

charging cables

towers

Category

Power

Cable

High

Cable

High

Cable

Rod

Bar

Rod

Voltage

Voltage

Bar / Wire

Wire Rod

Bar / Wire

Wire Rod

Wire Rod

Yer	ารโ	hui	Ρl	ant

Stainless Steel



Development of the Glass Sealing Alloy (Chrome Vanadium Steel)

Performance

By utilizing a liquid coolant to directly cool the core wire, heat can be

features a compact and lightweight structural design.

resistance, and weather resistance.

and high temperature strength.

environments with chlorine.

power plant efficiency and boiler life

High strength and heat resistance.

dissipated quickly even when charged at high currents. Additionally, it

The cable features a unique flexible conductor design with large angle

of handling voltages exceeding 72kV. This cable maintains exceptional

The main high voltage connection between the offshore wind turbine tower

Has excellent resistance against high-temperature oxidation, corrosion,

temperature oxidation resistance and high creep resistance to improve

High heat resistance, high-temperature corrosion resistance, high-

It has the characteristics of both austenite and ferritic iron. It is resistant

coefficient that is comparable to that of glass or ceramic materials.

crack resistance and non-crystalline corrosion. Furthermore, the

addition of molybdenum can enhance high temperature strength.

to pitting corrosion, stress, corrosion, has high strength, and is suitable for

It can be sealed with glass and ceramics for use as packaging materials in

High-FD and low-carbon-containing molybdenum designs with good

and the subsea cable. Possesses characteristics such as flexibility, torsion

torsion tolerance. The insulation is made of non-lead HEPR, capable

torsion resistance even in harsh, low-temperature environments.

High chromium stainless steel contains approximately 23% to 27% chromium. It has a low expansion coefficient, which is similar to the inflation coefficient of glass or ceramic materials, thereby achieving the effect of matching packaging, preventing cracks or incomplete sealing caused by differences in size during the heating process. It is used as a sealing material in the electronics and vacuum electrical industries.

the vacuum, electrical, and electronics industries due to its low expansion compressors in home appliances,



Welding Consumables Steel for Crack Resistance and Intergranular Corrosion Resistance

The company developed low carbon, molybdenum-containing, high FD welding consumables steel (ER309LMo) featuring high-FD and low-carbon-containing molybdenum designs with good crack resistance and intergranular corrosion resistance. The addition of molybdenum can also enhance high temperature strength. It is suitable for dissimilar metal welding between low-carbon austenitic stainless steel or dual phase stainless steel and carbon steel.





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Hsinchuang Plant

Wire and Cable

▼ Electric Vehicle Fast Charging Cable Sets 100% Made in Taiwan

The Ministry of Economic Affairs (MOEA) requires that the charging cable sets for electric vehicles should be made of domestic components in the "Taiwan-Made Product MIT Smile Logo Announcement" in December 2023. From the early stages of developing the charging cable sets for electric vehicles, Walsin Lihwa's goal has been domestic production to ensure that the quality of components can be closely managed and to avoid increased carbon emissions due to long-distance transportation. In addition to obtaining UL and IEC certification, the EV charging cables and plugs produced at the Hsinchuang Plant have also obtained VPC certification for domestic use. This guarantees that the charging cables are safe to use, adhere to national standards, and meet policy requirements, making them the optimal choice for domestic EV charger manufacturers.



▼ Lightweight Cables for Port Machinery Systems Quality Assurance, Comprehensive Product Range, Meeting Diverse Needs

Walsin Lihwa's Hsinchuang Plant provides a comprehensive range of large-scale machinery applications for ports, and currently holds a leading position in the port machinery and cable maintenance market in Taiwan. This excellent performance stems from many years of development and testing experience accumulated by the R&D unit at Walsin Lihwa. In response to the demand for automated container terminals in recent years, we firstly designed a composite reeling cable with integrated optical fiber, which has won the trust of many customers for its stable quality after rigorous in-plant simulation tests and long-term deployment in port environment. Recently, a spreader basket cable with optical fiber integration optical fiber has also been introduced, allowing personnel to operate the spreader from the central control room eliminating prolonged work on the gantry crane, thus improving work efficiency and safety. In addition to quality of Walsin Lihwa's port machinery cables, which has been verified and regularly inspected by customers for many years, localized production also helps customers avoid long delivery times and inventory management challenges.





▼ The First Supplier for Offshore Wind Turbine Tower Cables in Taiwan

The Hsinchuang Plant began developing industrial cables in 2012, focusing on cables for green energy applications, such as photovoltaic (PV) cables and wind turbine cables. These cables must be resistant to torsion, high and low temperatures, and environmental corrosion. To ensure the long-term durability of products, the Hsinchuang Plant established laboratories to simulate conditions inside wind turbine towers, such as low-temperature torsion testing, and continues to make improvements to the structure and materials. Through domestic production in the offshore wind power industry and collaboration with international wind turbine manufacturers, we have obtained the stringent 9.5MW wind cable certification and began shipping in 2022. Full delivery was completed in 2024. In 2024, Walsin Lihwa's high voltage cables for 14MW offshore wind turbine towers were certified, and shipments are expected to begin in 2025. The Wire and Cable Business Group's extensive experience in offshore wind power cables has made Walsin Lihwa the first cable manufacturer in Taiwan to be qualified as a supplier of offshore wind turbine tower cables.





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4.1.3 Intellectual Property Rights Protection

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

Current Executions



R&D and technology-related data are stored in a dedicated confidential database, access rights are controlled, and relevant files and documents are labeled as confidential.

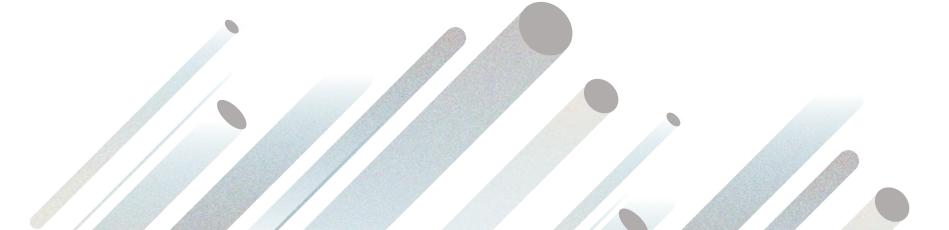


Regulations and controls for providing confidential information to the outside world have been established, where approval procedures and confidential labeling is required before the information can be provided.



When developing new products, a patent investigation must be conducted to check for potential infringement of existing patents. If any infringement is identified, a design-around strategy should be evaluated.

The Wire and Cable Business Group filed 8 patent applications and secured 5 patent certificates, with a total of 13 patent applications pending. A total of 20 patent certificates have been obtained over the years, and currently there are 11 valid patents. Walsin Lihwa has continued the research and development of technologies related to electric vehicle charging cable sets since 2023, with ongoing design and development of high-power liquid-cooled cable technology and corresponding charging cable sets. In addition to major markets including Taiwan, Mainland China, and the United States, we also have an established presence in Southeast Asia such as Singapore and Malaysia. The Stainless Steel Business Group filed a total of 3 patent applications in Taiwan and Mainland China and obtained 2 patents in Taiwan. A total of 24 employees received bonuses.





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4.2 Green Products and Operation

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

4.2.1 Green Product Development

Walsin Lihwa actively engages in the development of CleanTech products, such as "wind power cables", "lightweight cables for heavy machinery" and "DC fast charging plugs," providing solutions for the renewable energy and electric vehicle industries. We began our deployments in 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. By 2022, the Company became one of the leading companies in Taiwan in terms of market share. In the development of wind turbine tower cables, the initial research and development focused on torsion-resistant power cables in the wind turbine tower for onshore applications. In 2020, we started the development of DC & HV cables for offshore wind turbine towers, and in 2023, we delivered 9.5MW high-voltage cables for offshore wind turbine towers. The torsion-resistant high voltage cables in wind turbine towers of 14MW or more started the Production Part Approval Process (PPAP) document review and mass production preparation in 2024. The first round of production was completed successfully in Q4 and we expect to begin formal shipments in Q1 of 2025, demonstrating Walsin Lihwa's determination and efforts in developing wind turbine cables. Walsin Lihwa not only produces customer and third-party certified high voltage torsion-resistant cables for wind turbine towers, but also provides a full range of services for cable assembly and high voltage connections. In addition, Walsin Lihwa's 14MW wind turbine tower cables have a finished outer diameter of more than 100mm, which is the largest for this type of cable in Taiwan. The Wire and Cable Business Group focuses on developing charging cable sets in response to the burgeoning global electric vehicle industry. In 2023, we completed the development and certification of the CCS1/CCS2 series of DC fast charging plugs, applicable to mainstream charger cable set products ranging from 80A to 300A. In 2024, we officially obtained VPC certification for the CCS1/CCS2 series, bringing us fully in line with the government's safety regulations for charging cable sets for domestic electric vehicles. An assembly plant with comprehensive experimental equipment was established this year to provide customized services for electric vehicle charging cable sets and ensure the quality of future R&D products. In line with global developments for sustainable transportation, Walsin Lihwa will continue to research and develop high-current, high-voltage charging cables for electric vehicles to meet different market needs.

	Product	Category	Environmental Protection and Energy Saving Benefits	Application
	Photovoltaic (PV) cables	DC cables, AC cables		
	Offshore and onshore wind power cables	Used in wind power systems to collect and integrate electricity into the grid, ensuring turbine nacelle operation under various weather conditions.	Nacelle cables, tower internal cables, high voltage cables	
			Wind turbine connection cables, high voltage cables	
Wire and Cable	DC fast charging plugs		Utilized for land-based EV charging, including fast charging systems for various EVs (passenger EVs, 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 equipm system manufacturer requirements. Lightweight, small outer diameter, excellent wear resistance, reduced operational energy consumption.		Heavy machinery and equipment, machine tools, automation equipment	
	Spreader basket cables 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	Packaging materials for wire and cables		



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High- lights	

	Product	Category	Environmental Protection and Energy Saving Benefits	Application
	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	9/1	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
Stainless Steel	Resistant to post-weld cracking, sensitization and high corrosion resistance of stainless steel for welding	Welding consumables, flux cored electrode		
	Dual phase stainless steel	9 /1	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	
	Soft magnetic stainless steel that is corrosion-resistant	#	Increased corrosion resistance by adding molybdenum, which is suitable for wet and corrosive environments. The ferritic sulfur-containing steel is also easy to machine and turn.	Solenoid valves, screws, bolts

Note: Senhanced service life ≠ Energy conservation and carbon reduction ↑ Material performance improvement

Yenshui Plant

Soft Magnetic Stainless Steel for Corrosive Environments

Electromagnetic valves are commonly used in daily life, but their service life is often limited in humid and corrosive environments. The Yenshui Plant produced soft magnetic stainless steel with corrosion resistance in response to customer requirements. By adding molybdenum to increase corrosion resistance, it becomes suitable for humid and corrosive environments (such as coffee machines), increasing its service life and improving its life cycle, and it is also expected to save energy and reduce carbon emissions.





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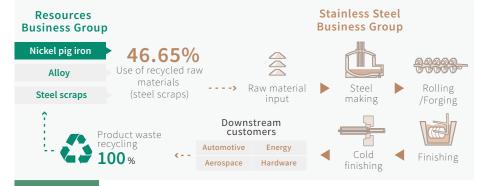
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4.2.2 Green Product Life Cycle **Assessment**

Walsin Lihwa examines and manages the environmental impact of products from the aspects of raw material use, energy use, and greenhouse gas emissions, etc. we use a high proportion of "recycled and reusable" raw materials to effectively utilize natural resources; We continue to improve our plant production processes based on the principles of energy saving and carbon reduction. In terms of products, we aim to develop high-performance green products that are "net zero and sustainable". We are committed to helping our customers and endusers achieve more energy-efficient and carbon-reducing product outcomes. Taking the Stainless Steel Business Group as an example:



Acquisition of Raw Materials

A high ratio of recycled raw materials and reusable raw materials are used for production. In 2023, 8 steel types were certified for ISO 14021 recycled material content, and their recycled material content reached more than RC80% or more than RC90% respectively. Recycled raw materials (e.g., scrap steel and scrap stainless steel) accounted for approximately 46.65% of the total amount of raw materials used in 2024.

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 2024: Through process optimization and refinement of steelmaking, steel rolling, finishing, and cold refining processes, CO₂e was reduced by **1,230** tons.

Use

Waste

Walsin Lihwa bought back the production and used scrap from customers and put them back into production. In 2024, we purchased approximately 8,645 tons of scrap.

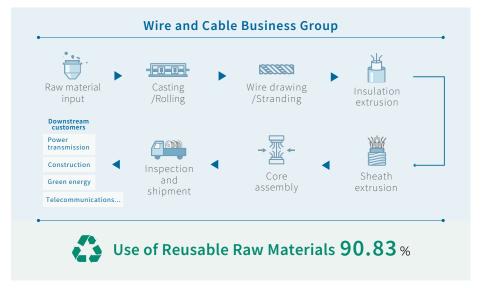
Stainless steel is 100% recyclable. Waste products are converted into reusable raw materials after recycling. Waste produced in the manufacturing process can also be turned into reused products through technological development.

- In recent years, Walsin Lihwa has researched and developed slag reutilization as a building material. Approximately 39,000 tons were repurposed in 2024, and we continue to develop recycled products. Reduction slag can be reprocessed into low-temperature autoclayed or calcium silicate board raw materials. In 2024, about 4,000 tons were reused.
- · 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 Use of Raw Materials

Adhering to the concept of a "circular economy," Walsin Lihwa continues to optimize its production processes and technologies while reducing raw material consumption and increasing recycling rates. Highly recyclable pure copper is used as the main material in the production of copper wires and cables. As part of the active development of green products, recyclable TPE and PVC materials are partially utilized to replace non-renewable PE pellets and plastics. In 2024, the proportion of reusable raw materials used reached 90.83%, this is because Walsin Lihwa exclusively uses high-purity copper to ensure high products quality. At the same time, the Company has responded to international manufacturers' efforts to mandate a certain percentage of copper content in products to come from recycled copper by developing a copper recycling process for high-quality copper waste generated in the manufacturing process. We are ISO 14021 certified to fully utilize the reuse value of resources and comply with international standards, in order to provide the best quality products and assist our customers in jointly achieving the goal of ESG sustainable development.

For wire and cable products, packaging materials and methods are selected 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 our environmental impact. In 2024, the utilization rate of recycled packaging materials reached 53.28%.





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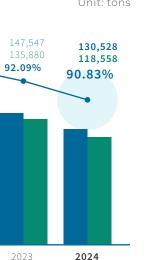
Stainless steel is produced using the electric furnace steelmaking method, and a high percentage of recycled steel is used, including scrap stainless steel, scrap carbon steel, ferrochrome, ferronickel, etc. Scrap stainless steel and carbon steel are both recycled raw materials. In 2024, recycled raw materials accounted for 46.65% of the total raw materials.

Copper Wire and Wire and Cable **Production Raw Materials Used** vs. Use of Reusable Raw Materials

186,282

93.14%

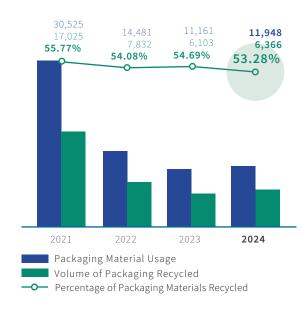






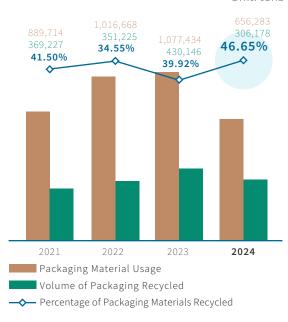
Use of Packaging Materials and Recycling of Packaging Materials for Wire and Cable Products^{Note1}





Stainless Steel Business Group Raw Materials Used vs. Use of Recycled Raw Materials^{Note2}

Unit: tons



Note: 1. No packaging materials were recycled by the Company in 2024.

The packaging materials included in the calculation are mainly wooden pallets/trays/sealing boards/wood shafts, and iron or steel shelves/trays. Not all types of packaging materials are included.

2. From 2024, counting only the input raw materials for steelmaking



316,410

299.458

96.64%

Europe

Refractory Recovery Project

CAS is dedicated to advancing circularity projects for raw materials in line with European and Italian regulations. In partnership with GAP S.p.A., CAS has developed a project to recover magnesium and dolomitic refractory materials from steelworks. This non-hazardous waste recovery initiative, carried out in the slag processing department, involves treating the refractory materials in compliance with UNI EN 459-1:2015 to produce an End of Waste product. This product will replace purchased lime in the UHP/EAF furnace process used for melting scrap.

The key benefits of this initiative include conserving natural resources by substituting raw materials with recycled products, reducing both the volume and lifecycle of waste, and alleviating local traffic congestion by minimizing vehicle movement at the steelworks. The project has successfully passed the Verification of Susceptibility to Environmental Impact Assessment phase and was formally presented in November 2024 to secure the necessary waste treatment authorization.







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4.2.4 Green Manufacturing Process

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 to enhance process energy efficiency, product performance, and industry advancement."The focus is on future expansions in "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. The Insulated Wire and Cable Business Group achieved outstanding results in carbon reduction, achieving 114% of its carbon reduction target with its overall energy saving and carbon reduction plan.

Wire and Cable Business Group								
Goal	Beneficial Results (year)		Carbon Reduction (tons CO₂e)	Invested Amount (NT\$)	Highlight Achievements			
Equipment Performance Optimization	Electricity savings (kWh)	1,222,507	595	14,778,406	 Air compressor performance improvement: Efficiency improvements achieved by adding variable frequency improvements for the air compressor system and cleaning the coolers Adjusted the air pressure equipment operation cycle in accordance with the production status of the production line Air compressor replacement Increased motor efficiency: Replaced the main motor with inverter motor Equipment retirement and replacement: Upgraded lighting system with energy-saving lighting Replaced fan blades with energy-saving fan blades in cooling towers Replaced old equipment 			
Process Technology Optimization	Electricity savings (kWh) 20,015		- 120	100,000	Optimized steam pipelines to minimize heat loss in transmission			
	Energy conservation (gas m³)	56,254	120	100,000	2.Enhanced yield rate of copper bars 3.Reduced duplication of work			
		Total	715	14,878,406				



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	Stainless Steel Business Group							
Goal	Beneficial Results (year)		icial Results (year) Carbon Invested Reduction Amount (tons CO ₂ e) (NT\$)		Highlight Achievements			
	Electricity savings (kWh)	5,849,994			Installed energy-efficient lighting Installed energy-saving motors			
Equipment Performance Optimization	Energy conservation (gas m³)	91,310	3,361	90,254,506	3. Solar power installation4. Installed other energy-saving equipment/components			
	Energy conservation (steam MT)	376			Air compressor replacementRetrofitted equipment for waste heat recovery			
	Electricity savings (kWh)	821,188			The metal is purified by removing slag with ball milling and water to reduce the electricity consumption when the slag returns to			
Process Technology Optimization	Energy conservation (gas m³)	247,776	1,230	0	 the electric furnace Ball milling and washing to recover metals from slag and reduce raw material losses Adjusted specific steel production processes to reduce gas consumption Power of coil heaters was reduced for certain types of steel to reduce power consumption Introduced furnace temperature controls with predictive modeling and feedforward control to reduce gas consumption during equipment use Increased polishing machine speed, improved production efficiency, and reduced power consumption 			
		Total	4,591	90,254,506				



Europe

Green Hydrogen Initiative

CAS operates energy-intensive furnaces powered by significant fuel gas consumption. To reduce direct CO₂ emissions, CAS launched the €9 million Green Hydrogen Project, funded by the European Union's NextGeneration EU program. This initiative aims to produce hydrogen in-house from renewable sources as an alternative fuel.

The project involves constructing a plant equipped with a hydroelectric power facility, a photovoltaic system, an electrolyser, and a hydrogen storage and distribution network. The hydrogen will power a treatment furnace, enabling energy self-sufficiency while significantly reducing CO₂ emissions. This initiative marks a key step in adopting renewable energy and advancing sustainable production practices at CAS.



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Yangmei Plant

Technology Optimization of Casting System to Enhance Copper Bar Yield

To further improve production efficiency and realize energy conservation and carbon reduction, the casting system at the Yangmei Plant has upgraded from the original fixed-speed operation mode to a flexible adjustment mechanism. This new mechanism can efficiently respond to the demands of different casting die sizes through management methods without incurring additional equipment improvement costs. The system maintains the tangent speed of die operation, ensuring a consistent yield rate. At the same time, with increases in capacity, energy efficiency was further optimized, with a significant reduction in the unit energy consumption of natural gas per ton of copper rod. The carbon reduction brought by lowering the amount of natural gas used in the casting process reached approximately 89 tons of CO₂e in 2024, which demonstrated the potential of this improvement solution in energy saving and efficient production, thereby helping the enterprise reduce waste, lower costs, stabilize quality, and maintain competitiveness.

Hsinchuang Plant

Optimizing Steam Pipelines to Reduce Heat Loss from Transmission

The Hsinchuang Plant optimized and adjusted the steam pipelines in the plant by shutting down decommissioned process pipelines and ensuring the energy is delivered directly and accurately to the next demand point, which significantly reduces heat losses during the transmission process. Carbon reductions from natural gas savings in 2024 amounted to about 19 tons of CO₂e.





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4.3 Product Quality and Responsibility

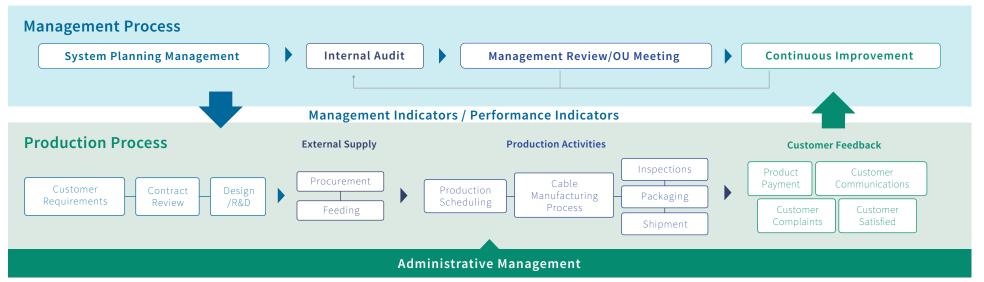
4.3.1 Product Quality and Management Processes

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 Group follow the ISO 9001 Quality Management System and strengthens quality management and risk control. Through process management and technology application, from product design to aftersales 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 implement the DMAIC methodology, 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.

Walsin Lihwa is committed to "innovation, stable quality, and efficient management", constantly improving product quality, expanding the market, establishing a reliable quality system, and implementing the Quality Enhancement Action Plan:

- · The Quality Assurance Division has been given independent responsibilities and authority.
- · Adopted international-level testing equipment, established a TAF accredited testing laboratory, and cooperated with third-party organizations to ensure technical verification.
- · Strengthened risk management and ensured the reliability of products and services through analysis.
- · Strengthened product portfolio and industry-university-research cooperation, improved the success rate of new product development and opened up new markets.
- · Provided customers with the required certifications to ensure product performance and quality and meet market demands.
- · Improved manufacturing capabilities, applied Industry 4.0 technology, and produced high-quality industrial cables.
- Established strong auditing and certification capabilities and continuously improved the quality management system through the PDCA concept.

Quality Management Systems and Processes Flowchart



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In the Wire and Cable Business Group, we have continued to obtained third-party certifications under ISO 9001 quality management system 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), Voluntary Product Certification (VPC), CNS Mark, and Registration of Product Certification in accordance with the relevant industry information and trade certification regulations of each country for the Yangmei Smart Manufacturing Plant as a basis for entering the industry supply chain and expanding our sales applications and channels.



Yangmei Smart Manufacturing Plant

Wire and Cable Certified by National Standards

In 2024, the "Yangmei Smart Manufacturing Plant ISO 9001, Registration of Product Certification, Commodity Certification Registration, and CNS Mark Certificate" of the Wire and Cable Business Group passed product testing and factory inspection by the Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs, and obtained the CNS Mark. In addition to proving that the product quality of Walsin Lihwa's Yangmei Smart Manufacturing Plant is in line with national standards, it also allows consumers to use Walsin Lihwa products with 100% confidence, building a solid foundation for Walsin Lihwa's cable ecosystem.



High-

Taichun Plant

UKCA-CPR and **UKCA-PESR** Certification

The flat products / coil products in the Taiwan region under the Stainless Steel Business Group were certified by the UK Conformity Assessed (UKCA) and UK Pressure Equipment Safety Regulations (PESR) as meeting 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.



The Stainless Steel Business Group aims to become the most reliable cold finished bar supplier in Asia's smart 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, and 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, CE marking and other national level certifications. The Taiwan plants have passed the 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.

Production Quality Control Diagram

Monitor and manage important activities and indicators in the production process, ensuring that products meet quality standards and customer requirements.





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Production Quality Control Diagram



4.3.2 Control of Hazardous Substances in Products

Walsin Lihwa recognizes the importance of corporate citizenship and strictly monitors the quality of its products and services to ensure that no hazardous substances are added. Through raw material inspection and international chemical management control, we ensure compliance with relevant laws and regulations, and have adopted low-energy, low-pollution manufacturing processes that do not use conflict minerals. The Company regularly commissions third party testing and continues to update and disclose information on hazardous substances to meet the highest safety standards. From 2021 to 2024, the products of the Stainless Steel Business Group were 100% compliant with EU RoHS 2.0 Hazardous Substance Restrictions, REACH (SVHC) EU High Concern Substances Regulations, PFOS sales and use restrictions, as well as restrictions on PFOA and related compounds, demonstrating our commitment to non-toxic manufacturing. Our wire and cable products comply with the RoHS directive, REACH, and the asbestos ban in the shipping industry, and we provide relevant information to our stakeholders for reference. The plastics used in our products are all self-formulated and declared RoHS compliant in 2024, which fully demonstrates that no hazardous substances were added to the Company's products in the manufacturing process.





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Appendix 1 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 from January 1, 2024 to December 31, 2024.
- GRI 1 used: GRI 1: Foundation 2021
- · Applicable GRI Sector Standard(s): During the reporting period of this report, no applicable GRI Sector Standards were issued.

*	Material	Topics
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Material Topic	GRI Standard	Information Disclosed	Corresponding Chapter	Page	Remarks				
			Universal Standards						
GRI 2: Gene	GRI 2: General Disclosures 2021								
The organiz	zation and its	reporting practices							
	2-1	Organizational details	About the Report Company Profile	6 7					
	2-2	Entities included in the organization's sustainability reporting	About the Report	6					
	2-3	Reporting period, frequency and contact point	About the Report	6					
	2-4	Restatements of information	F	-	No information re-editing. Any textual or numerical corrections will be noted in the relevant sections.				
	2-5	External assurance	About the Report Appendix 7 Third-party Assurance Statement and Report	6 177					
Activities a	nd workers								
	2-6	Activities, value chain and other business relationships	Company Profile 3.2 Business Performance 3.5 Supply Chain Sustainability and Customer Service	7 114 125					
*	2-7	Employees	2.1.3 Human Resources Policies and Human Resources Structure	71					
	2-8	Workers who are not employees	2.1.3 Human Resources Policies and Human Resources Structure 2.4.3 Contractor Management and Auditing	71 91					
★ Governar	nce								
	2-9	Governance structure and composition	3.1 Corporate Governance	108					
	2-10	Nomination and selection of the highest governance body	3.1 Corporate Governance	108	Please refer to "3.1 Corporate Governance" of this report for details on director nomination and election.				



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Material Topic	GRI Standard	Information Disclosed	Corresponding Chapter	Page	Remarks
	2-11	Chair of the highest governance body	3.1.1 Governance and Operation	108	Please refer to "II. Corporate Governance Report > 1. Profiles of Board Directors, President, Vice Presidents and Department Heads"in the Company's 2024 Annual Report: The chairman of the Company does not concurrently hold any managerial position.
	2-12	Role of the highest governance body in overseeing the management of impacts	Identification, Analysis, and Management of Material Topics 3.1 Corporate Governance	15 108	
	2-13	Delegation of responsibility for managing impacts	3.4.1 Risk Management	117	
	2-14	Role of the highest governance body in sustainability reporting	About the Report	6	
	2-15	Conflicts of interest	3.1 Corporate Governance	108	Please refer to "II. Corporate Governance Report > 3. Corporate Governance Status" in the Company's 2024 Annual Report for details on important Board of Directors proposals and Directors' recusal for conflicts of interest.
	2-16	Communication of critical concerns	Identification, Analysis, and Management of Material Topics 3.1 Corporate Governance	15 108	
	2-17	Collective knowledge of the highest governance body	3.1.1 Governance and Operation 3.1.2 Sustainable Governance	108 111	Please refer to the list of continuing education courses in "II. Corporate Governance Report > (7) Other important information helpful for improving understanding of the governance of the company > 1. Further education on themes encompassing corporate governance the Company's Directors have received in 2024"in the Company's 2024 Annual Report. Furthermore, as disclosed in "3.1.1 Governance and Operation" of this Report, all directors took a total of 48 hours of sustainability-related courses in 2024, accounting for 24.8% of all continuing education hours.
	2-18	Evaluation of the performance of the highest governance body	3.1.1 Governance and Operation	108	Please refer to the Company's <u>official website</u> : Corporate Governance > Board of Directors > Performance Management for details.
	2-19	Remuneration policies	2.3 Talent Motivation and Retention	81	Please refer to "II. Corporate Governance Report > 2. Remunerations to Directors, President and Vice Presidents in the Most Recent Year"in the Company's 2024 Annual Report.
	2-20	Process to determine remuneration	2.3 Talent Motivation and Retention 3.1.1 Governance and Operation	81 108	Please refer to "II. Corporate Governance Report > 2. Remunerations to Directors, President and Vice Presidents in the Most Recent Year > (4) Analysis of total remunerations to Directors, President, vice presidents etc. as a percentage of the standalone after-tax net income in the last 2 years and description of the policy, standards and packages of remunerations, procedure for making such decision and relation to business performance"in the Company's 2024 Annual Report. In addition, "2.3 Talent Motivation and Retention > Performance and Compensation"in this Report also provides relevant explanations.
	2-21	Annual total compensation ratio	-	-	The ratio of the highest-paid individual to the median compensation of other employees in the organization was 18.71 in 2024. The ratio of increase in annual compensation of the 2 was 5.03 (Taiwan region only).



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Material Topic	GRI Standard	Information Disclosed	Corresponding Chapter	Page	Remarks			
*	2-22	Statement on sustainable development strategy	Message from Chairman Message from President and Chief Sustainability Officer Progress Towards Sustainability	2 4 10	Please refer to the respective chapter prefaces of this report for the targets and objectives of the various facets of the Company's sustainable development initiatives in 2024.			
*	2-23	Policy commitments	2.1 Human Rights and Talent Management Policy 3.3 Business Integrity 3.5 Supply Chain Sustainability and Customer Service	68 115 125				
	2-24	Embedding policy commitments	2.1 Human Rights and Talent Management Policy 2.4.1 Occupational Safety and Health 3.3 Business Integrity 3.5 Supply Chain Sustainability and Customer Service	68 85 115 125				
*	2-25	Processes to remediate negative impacts	Identification, Analysis, and Management of Material Topics 21 Human Rights and Talent Management Policy 3.3 Business Integrity 3.4 Risk Management and Compliance	15 68 115 117				
	2-26	Mechanisms for seeking advice and raising concerns	Identification, Analysis, and Management of Material Topics 3.4.1 Risk Management	15 117				
					d 1.4 Air Pollution and Waste Management 2.4.2 Workplace Safety 3.4.3 Regulatory Compliance	2.4.2 Workplace Safety 8'	5 77	Major violations of environmental laws and regulations (fines exceeding NT\$100,000 or higher): There were 3 cases in 2024, with total fines of approximately NT\$730,000. The contents of the fines have been disclosed in the sections on compliance with environmental laws and regulations. There were no cases in 2023. There has been no pollution leakage that caused the Company to suspend production or resident protests around the plant in both years, and there was also no leakage of sewage or waste.
*	2-27	Compliance with laws and regulations	2.4.2 Workplace Safety	87 124			Major violations of occupational safety and health laws and regulations (fines exceeding NT\$100,000 or higher): There were 5 cases in 2024, with total fines of approximately NT\$700,000; 5 cases in 2023, with total fines of approximately NT\$600,000.	
					Major penalties (fines exceeding NT\$100,000 or higher): There were 2 cases (Labor Standards Act and Labor Law) in 2024, with total fines of approximately NT\$920,000. There were 5 cases of major penalties (Regional Plan Act, Tax, Labor Law) in 2023, with total fines of approximately NT\$8.742 million.			
	2-28	Membership associations	Appendix 6 Participation in External Organizations	176				
Stakeholde	r engagemen	t						
	2-29	Approach to stakeholder engagement	Identification, Analysis, and Management of Material Topics	15				
	2-30	Collective bargaining agreements	2.1.2 Important Human Rights Issues and Mitigation Measures	68				



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Material — ·	GRI	Information Disclosed	Corresponding Chapter	Page	Remarks
Topic	Standard erial Topics 20	 	, , ,		
ON STRICK	3-1	Process to determine material topics	Identification, Analysis, and Management of Material Topics	15	
	3-2	List of material topics	Identification, Analysis, and Management of Material Topics	15	
	3-3	Management of material topics	Identification, Analysis, and Management of Material Topics	15	
		1000	Economic Topics		
★ GRI 201: E	Economic Per	formance 2016		_	
	201-1	Direct economic value generated and distributed	3.2 Business Performance	144	Please see the <u>2024 Annual Report</u> and financial statements for complete financial Information.
	201-2	Financial implications and other risks and opportunities due to climate change	1.1 Climate Action (TCFD)	33	
	201-3	Defined benefit plan obligations and other retirement plans	2.3 Talent Motivation and Retention	81	
GRI 202: Ma	arket Presence	e 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	75	
★ GRI 204:	Procurement	Practices 2016			
	204-1	Proportion of spending on local suppliers	3.5 Supply Chain Sustainability and Customer Service	125	
★ GRI 205: A	Anti-corruptio	on 2016			
	205-2	Communication and training about anti-corruption policies and procedures	3.3 Business Integrity	115	
	205-3	Confirmed incidents of corruption and actions taken	3.4.3 Regulatory Complianc	124	No violation
★ GRI 206: /	Anti-competit	tive Behavior 2016			
	206-1	Legal actions for anti- competitive behavior, anti- trust, and monopoly practices		-	No violation
			Environmental Topics		
★ GRI 301: N	Materials 2016				
	301-3	Reclaimed products and their packaging materials	4.2.3 Status on Raw Material Use	145	
★ GRI 302: I	Energy 2016				
	302-1	Energy consumption within the organization	1.2.2 Energy Saving and Carbon Reduction Management	44	



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	302-3	Energy intensity	1.2.2 Energy Saving and Carbon Reduction Management	44	
	302-4	Reduction of energy consumption	1.2.2 Energy Saving and Carbon Reduction Management	44	
GRI 303: Wa	eter and Efflu	ents 2018			
	303-1	Interactions with water as a shared resource	1.3.1 Water Resources Utilization	52	
	303-2	Management of water discharge-related impacts	1.3.2 Wastewater Treatment and Water Pollution Prevention	55	
	303-3	Water withdrawal	1.3.2 Wastewater Treatment and Water Pollution Prevention	55	
	303-4	Water discharge	1.3.2 Wastewater Treatment and Water Pollution Prevention	55	
	303-5	Water consumption	1.3.2 Wastewater Treatment and Water Pollution Prevention	55	
★ GRI 305: I	Emissions 20 ⁻	16			
	305-1	Direct (Scope 1) GHG emissions	1.2.2 Energy Saving and Carbon Reduction Management	44	
	305-2	Energy indirect (Scope 2) GHG emissions	1.2.2 Energy Saving and Carbon Reduction Management	44	
	305-4	GHG emissions intensity	1.2.2 Energy Saving and Carbon Reduction Management	44	
	305-5	Reduction of GHG emissions	1.2.2 Energy Saving and Carbon Reduction Management	44	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	1.4 Air Pollution and Waste Management	57	
GRI 306: Wa	aste 2020				
	306-1	Waste generation and significant waste-related impacts	1.4 Air Pollution and Waste Management	57	
	306-2	Management of significant waste-related impacts	1.4 Air Pollution and Waste Management	57	
	306-3	Waste generated	1.4 Air Pollution and Waste Management	57	
	306-4	Waste diverted from disposal	1.4 Air Pollution and Waste Management	57	
	306-5	Waste directed to disposal	1.4 Air Pollution and Waste Management	57	
★ GRI 308:	Supplier Env	vironmental Assessment 2016			
	308-1	New suppliers that were screened using environmental criteria	3.5.2 Implementation of Supply Chain Management	127	
			Social Topics		
★ GRI 401: E	Employment	2016			
	401-1	New employee hires and employee turnover	2.1.3 Human Resources Policies and Human Resources Structure	71	



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Material Topic	GRI Standard	Information Disclosed	Corresponding Chapter	Page	Remarks
	401-2	Benefits provided to full- time employees that are not provided to temporary or part-time employees	2.3 Talent Motivation and Retention	81	
	401-3	Parental leave	2.3 Talent Motivation and Retention	81	
★ GRI 402:	Labor/Manag	ement Relations 2016			
	402-1	New employee hires and employee turnover	2.3 Talent Motivation and Retention	81	
★ GRI 403:	Occupational	Health and Safety 2018			
	403-1	Occupational health and safety management system	2.4.1 Occupational Safety and Health Policy	85	
	403-2	Hazard identification, risk assessment, and incident investigation	2.4.2 Workplace Safety	87	
	403-3	Occupational health services	2.4.4 Key Activities on Occupational Safety and Health	92	
	403-4	Worker participation, consultation, and communication on occupational health and safety	2.4.1 Occupational Safety and Health Policy	85	
	403-5	Worker training on occupational health and safety	2.4.2 Workplace Safety	87	
	403-6	Promotion of worker health	2.4.4 Key Activities on Occupational Safety and Health	92	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.4 Workplace Safety and Health	85	
	403-8	Workers covered by an occupational health and safety management system	2.4.1 Occupational Safety and Health Policy	85	
	403-9	Work-related injuries	2.4.2 Workplace Safety	87	
	403-10	Work-related ill health	2.4.2 Workplace Safety	87	
★ GRI 404:	Training and	Education 2016			
	404-1	Average hours of training per year per employee	2.2 Talent Cultivation and Empowerment	77	
	404-3	Percentage of employees receiving regular performance and career development reviews	2.3 Talent Motivation and Retention	81	All employees are periodically evaluated.



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Material Topic	GRI Standard	Information Disclosed	Corresponding Chapter	Page	Remarks
GRI 405: Di	versity and Ed	qual Opportunity 2016			
	405-1	Diversity of governance bodies and employees	2.1.4 Embrace Diversity, Create Inclusion, and Maintain Equality - Manpower Diversity Indicator 3.1.1 Governance and Operation	75 108	
	405-2	Ratio of basic salary and remuneration of women to men	2.3 Governance and Operation	81	
GRI 406: No	on-discrimina	tion 2016			
	406-1	Incidents of discrimination and corrective actions taken	-	-	No violation
GRI 408: Ch	nild Labor 201	6			
	408-1	Operations and suppliers at significant risk for incidents of child labor	2.1.1 Human Right Policy	68	
★ GRI 414: 9	Supplier Socia	al Assessment 2016			
	414-1	New suppliers that were screened using social criteria	3.5.2 Implementation of Supply Chain Management	127	
	414-2	Negative social impacts in the supply chain and actions taken	3.5.2 Implementation of Supply Chain Management	127	
★ GRI 416: 0	Customer Hea	alth and Safety 2016			
	416-2	Incidents of non- compliance concerning the health and safety impacts of products and services	-	-	No violation
★ GRI 417: N	Marketing and	d 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: Cu:	stomer Privad	cy 2016			
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.5.3 Customer Service	-	No violation





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Appendix 2 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

SASB Industry Standards for Electrical & Electronic Equipment

Topic Boundaries: The Company's wire and cable business units (Yangmei Plant, Hsinchuang Plant, Shanghai Walsin)

Sustainability Disclosure Topics and Metrics

Topic	Code	Indicator	Category	2024	Corresponding Section	Page
		(1) Total energy consumed		386,493.04 x10°joules	1.2.2 Energy Saving and Carbon Reduction Management	44
Energy Management	RT-EE-130a.1	(2) Percentage grid electricity	Quantitative	96.14%	1.2.2 Energy Saving and Carbon Reduction Management	44
		(3) Percentage renewable		3.86%	1.2.2 Energy Saving and Carbon Reduction Managemen	44
Hazardous	RT-EE-150a.1	(1) Weight of hazardous waste generated		18.46 tons	1.4.2 Waste and Resource Recycle	58
Hazardous	RI-EE-ISUa.I	(2) Percentage recycled	-	50.63%	1.4.2 Waste and Resource Recycle	58
Waste Management	RT-EE-150a.2	(1) Number and aggregate quantity of reportable spills	Quantitative	0 times; 0 kg	1.4.2 Waste and Resource Recycle	58
		(2) Quantity recovered	-	0 kg	1.4.2 Waste and Resource Recycle	58
1100000	RT-EE-250a.1	(1) Number of recalls issued	- Ouantitative	0 times	-	-
Safety	RT-EE-250a.2	(2) Total units recalled	- Quantitative	NT\$ 0	-	-
	RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances		10.59%	-	-
Product Lifecycle Management	RT-EE-410a.2	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Quantitative	N/A	-	-
Management	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products		NT\$493,176,338	4.2 Green Products and Operation	143
Acquisition of Materials	RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and analysis	effectively manage procure sustainable development. reviews, on-site audits, a potential risks among key	shed a supplier review mechanism to ement risks, control costs, and promote The Company conducts documentary nd engages an audit team to assess suppliers. For more information, please k Management and 3.5 Supply Chain er Service.	117 125



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Topic	Code	Indicator	Category	2024	Corresponding Section	Page
	RT-EE-510a.1	Description of policies and practices for prevention of (1) corruption and bribery	Discussion	For more information, please refer to 3.3 Business Integrity		115
	RI-EE-SIOA.I	Description of policies and practices for prevention of (2) anti-competitive behavior	and analysis	For more information, please refer to 3.4.3 Regulatory Compliance		115
Business Ethics	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	NT\$0	-	-
	RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	ative NT\$0 -		-

Activity Metrics

Code	Activity Metrics	Category	2024	Corresponding Section	Page
RT-EE-000.A	Number of units produced by product category	Quantitative	Copper wire: 131,568 tons Wire and cable: 53,679 tons	4.1 Product and R&D Innovation	136
RT-EE-000.B	Number of employees	Quantitative	1,205 people	-	-
	The percentage of the revenues of the aforementioned activity metrics and topic boundaries in consolidated revenues	N/A	25.8%	-	-

Note: The percentage of revenue is calculated based on the revenue of the Wire and Cable Business in the 2024 financial statements, including the Yangmei Plant, Hsinchuang Plant, Shanghai Walsin, and Hangzhou Walsin.

SASB Industry Standards Iron & Steel Producers

Topic Boundaries: Stainless Steel Business Unit (Yenshui Plant, Taichung Plant, Yantai Walsin, Changshu Walsin, Jiangyin Walsin (Specialty Alloy Materials), Walsin Precision, CAS on a consolidated basis)

Sustainability Disclosure Topics and Metrics

Topic	Code	Indicator	Category	2024	Corresponding Section	Page
	EM-IS-	Gross global Scope 1 emissions	Ouantitative	361,081.65 tons CO₂e	1.2.2 Energy Saving and Carbon Reduction Management	44
Croopbayas	110a.1	Percentage of emissions covered under emissions limiting regulations	Quantitative	0.00%	1.2.2 Energy Saving and Carbon Reduction Management	44
Greenhouse Gas Emissions	EM-IS- 110a.2	Discussion of long-term and short-term strategy or plan to manage Scope I emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and analysis	carbon-reducing manager and various energy-savin held regular meetings Management Platform fo	es established an energy-saving and ment organization, set annual goals g and carbon-reducing measures, to review and built an E-Energy real-time management. For more to 1.2.2 Energy Saving and Carbon	44



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Topic	Code	Indicator	Category	2024	Corresponding Section	Page
,		Air emissions of: (1) CO		0 tons	1.4.1 Air Pollution Prevention	57
		Air emissions of: (2) NOx (excluding N ₂ O)		376.22 tons	1.4.1 Air Pollution Prevention	57
		Air emissions of: (3) SOx	_	18.84 tons	1.4.1 Air Pollution Prevention	57
Air emissions of: [1] CO	1.4.1 Air Pollution Prevention	57				
Air Quality	Air emissions of: (2) NOx (excluding N ₂ O) 376.22 tom 14.84	1.4.1 Air Pollution Prevention	57			
		Air emissions of: (6) Pb	Quantitative Quantitative	1.4.1 Air Pollution Prevention	57	
	Air emissions of: (1) CO Air emissions of: (2) NOx (excluding N2O) Air emissions of: (3) SOx Air emissions of: (4) particulate matter (PM10) Air emissions of: (5) MnO Air emissions of: (6) Pb Air emissions of: (7) volatile organic compounds (VOCs Air emissions of: (8) polycyclic aromatic hydrocarbons (PAHs) (1) Total energy consumed EM-IS-130a.1 (2) Percentage grid electricity (3) Percentage renewable (1) Total fuel consumed (2) Percentage coal (3) Percentage natural gas (4) Percentage renewable (1) Total water withdrawal Percentage in regions with high or extremely high bas water stress (2)Total water consumption Percentage in regions with high or extremely high bas water stress (1) Weight of waste generated (2) Percentage hazardous		8.11 tons	1.4.1 Air Pollution Prevention	57	
				0 tons	1.4.1 Air Pollution Prevention	57
		(1) Total energy consumed	Quantitative	9,721,414.02 x10 ⁹ joules	1.2.2 Energy Saving and Carbon Reduction Management	44
0.5		(2) Percentage grid electricity		89.35%	1.2.2 Energy Saving and Carbon Reduction Management	44
		(3) Percentage renewable		10.65%	1.2.2 Energy Saving and Carbon Reduction Management	44
		(1) Total fuel consumed		5,161,678.77 x10 ⁹ joules	1.2.2 Energy Saving and Carbon Reduction Management	44
	EM-IS-	(2) Percentage coal	Quantitative -	0.00%	1.2.2 Energy Saving and Carbon Reduction Management	44
	130a.2	(3) Percentage natural gas		100.00%	1.2.2 Energy Saving and Carbon Reduction Management	44
		(4) Percentage renewable		0.00%	1.2.2 Energy Saving and Carbon Reduction Management	44
		(1) Total water withdrawal		14,687.22 thousand m ³	1.3.2 Wastewater Treatment and Water Pollution Prevention	55
Water	EM-IS-			4.77%	1.3.2 Wastewater Treatment and Water Pollution Prevention	55
Management	140a.1	(2)Total water consumption	Quantitative -	3,137.66 thousand m ³	1.3.2 Wastewater Treatment and Water Pollution Prevention	55
				0.19%	1.3.2 Wastewater Treatment and Water Pollution Prevention	55
\A(EN4.16	(1) Weight of waste generated		317,953.60 tons	1.4.2 Waste and Resource Recycle	58
		(2) Percentage hazardous	Quantitative	30.00%	1.4.2 Waste and Resource Recycle	58
anagement	1004.1	(3) Percentage recycled		75.79%	1.4.2 Waste and Resource Recycle	58



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Topic	Code	Indicator	Category	2024	Corresponding Section	Page
Worker Health and		Total recordable incident rate (TRIR) for full-time employees		4.00	2.4.2 Workplace Safety	87
	EM-IS-	Total recordable incident rate (TRIR) for contract employees		8.43	2.4.2 Workplace Safety	87
	320a.1	Fatality rate for full-time employees	Quantitative	0.00	2.4.2 Workplace Safety	87
Safety		Fatality rate for contract employees		0.00	2.4.2 Workplace Safety	87
		Near miss frequency rate (NMFR) for full-time employees		9.08	2.4.2 Workplace Safety	87
		Near miss frequency rate (NMFR) for contract employees		0.00	2.4.2 Workplace Safety	87
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		ring processes do not use iron ore or ure item is not applicable to Walsin L	_

Activity Metrics

Code	Activity Metrics	Category	2024	Corresponding Section	Page			
	Raw steel production from (1) basic oxygen furnace processes		The Company's manufacturing processes do not use BOF. Therefore, this disclosure item is not applicable to Walsin Lihwa.					
EM-IS-000.A	Percentage from (1) basic oxygen furnace processes	· Quantitative	The Company's manufacturing processes do not use BOF. Therefore, this disclosure item is not applicable to Walsin Lihwa.					
EIVI-15-000.A	Raw steel production from (2) electric arc furnace processes	Quantitative	725,799 tons	4.1 Product and R&D Innovation	136			
	Percentage from (2) electric arc furnace processes		100%	4.1 Product and R&D Innovation	136			
EM-IS-000.B	Total iron ore production	Quantitative	The Company's manufacturing processes disclosure item is not applicable to Walsi		this			
EM-IS-000.C	Total coking coal production	Quantitative	The Company's manufacturing processes do not use coking coal. Therefore, this disclosure item is not applicable to Walsin Lihwa.					
	The percentage of the revenues of the aforementioned activity metrics and topic boundaries in consolidated revenues	N/A	52.8%		-			

Note: The percentage of revenue is calculated based on the revenue of the Stainless Steel Business Group in 2024, including Yenshui Plant, Taichung Plant, Yantai Walsin, Changshu Walsin, Jiangyin Walsin (Specialty Alloy Materials), and CAS on a consolidated basis





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Sustainability Indicators of Steel Industry Designated by the TWSE



Since 2022, the Company has voluntarily followed the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies to disclose the Sustainability Indicators of Steel Industry for the Company's Stainless Steel Business.

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

Category	No.	Indicator	Category	2024	Corresponding Section	Page
		Total energy consumed		9,721,414.02 x10°joules	1.2.2 Energy Saving and Carbon Reduction Management	44
		Percentage grid electricity	Quantitative ·	35.47%	1.2.2 Energy Saving and Carbon Reduction Management	44
	1.	Percentage renewable	Quantitative	10.6%	1.2.2 Energy Saving and Carbon Reduction Management	44
Energy		Total self-generated and self-use energy ^{Note}		7,702.03 x10 ⁹ joules	1.2.2 Energy Saving and Carbon Reduction Management	44
Management		Total fuel consumed		5,161,678.77 x10°joules	1.2.2 Energy Saving and Carbon Reduction Management	44
	11.	Percentage coal	Quantitative	0.00%	1.2.2 Energy Saving and Carbon Reduction Management	44
	11.	Percentage natural gas	Quantitative	100.00%	1.2.2 Energy Saving and Carbon Reduction Management	44
		Percentage renewable		0.00%	1.2.2 Energy Saving and Carbon Reduction Management	44
Water	111.	Total water withdrawal	Quantitative ·	14,687.22 thousand m ³	1.3.2 Wastewater Treatment and Water Pollution Prevention	55
Management	111.	Total water consumption	Quantitative	3,137.66 thousand m ³	1.3.2 Wastewater Treatment and Water Pollution Prevention	55
\		Amount of waste generated		347,939.99 tons	1.4.2 Waste and Resource Recycle	58
Waste Management	IV.	Percentage hazardous	Quantitative	27.47%	1.4.2 Waste and Resource Recycle	58
		Percentage recycled		77.92%	1.4.2 Waste and Resource Recycle	58
		Total recordable incident rate (TRIR) for full-time employees		4.00	2.4.2 Workplace Safety	87
		Total recordable incident rate (TRIR) for contract employees		8.43	2.4.2 Workplace Safety	87
14/ 16		Fatality rate for full-time employee		0.00	2.4.2 Workplace Safety	87
Workforce Health &	٧.	Fatality rate for contract employees	Quantitative	0.00	2.4.2 Workplace Safety	87
Safety	٧.	Near miss frequency rate (NMFR) for full-time employees	Quantitative	9.08	2.4.2 Workplace Safety	87
		Near miss frequency rate (NMFR) for contract employees		0.00	2.4.2 Workplace Safety	87
		Number of occupational accidents for (a) full-time employees		255 people	2.4.2 Workplace Safety	87
		Number of occupational accidents for (b) contract employees		12 people	2.4.2 Workplace Safety	87
	VI.	Number of units produced by product category	Quantitative	Stainless steel: 725,799 tons	4.1 Product and R&D Innovation	136

Note: The total amount of self-generated and self-used energy is defined in Taiwan's Renewable Energy Development Act, Implementation Regulations Governing Renewable Energy Certificates, or related sub-laws. The number of occupational injuries includes minor injuries with less than 1 day of lost working hours.



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Appendix 3 Climate-Related Information Required by TWSE

Implementation of Climate-Related Information

		Climate-Related information	6	
#	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 framework is under direct supervision of the Board of Directors, which monitors major climate risks and guides management strategies, crucial action plans, and progress towards goals. The Sustainable Development Committee, which is subordinate to the Board of Directors, consists of six members. An independent director serves as the convener. The committee members include the chairman, independent directors, and internal consultants. The Sustainable Development Committee is responsible for formulating corporate sustainability strategies and visions to implement work and management related to sustainable development, and regularly reports to the Board of Directors on the implementation of sustainable development, such as climate change issues. The Sustainability Office under the Sustainable Development Committee is responsible for planning and guiding responsible departments of the Company to identify and manage the risks and opportunities resulting from climate change, and regularly reports the latest trends, impacts, and implementation performance of climate change issues to the Sustainable Development Committee. For more information on the supervision and governance of climate and sustainability-related risks and opportunities by the Board of Directors, functional committees, and management, please refer to 1.1 Climate Action (TCFD) in Chapter 1 and Chapter 3 Corporate Governance in the 2024 Sustainability Report.	Action (TCFD) 3.1.2 Sustainable	33 111
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	For effective management of climate change opportunities and risks, the Sustainability Office 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. The Company defines its impact period ranges as follows: short term is 2025, medium term is 2026-2030, and long term is 2031-2035. Related assessment can be found in 1.1 Climate Action (TCFD) in Chapter 1 of the 2024 Sustainability Report, or the Corporate Sustainability section on the Company's website, "Climate Action and Environmental Management" webpage. (I) Climate Risk 1. Extreme climate change affects upstream and downstream supply chains and transportation (short- and medium-term risks) (I) Leads to delays in product delivery or broken supply chains, resulting in reduced and deferred revenues (2) Extreme climate change increases transportation costs (3) Damage to operating equipment results in shipment delays 2. The cost of low-carbon technology transition (medium-term risk) (I) The development and production of low carbon emission products result in higher R&D and production costs (2) The replacement of high-emission process equipment results in higher operating costs 3. Policies and regulations increase the cost of greenhouse gas emissions (medium-term risk) (I) Increased costs of greenhouse gas emissions and increased operating expenses (2) Increased internal carbon management costs and increased operating expenses (3) Calculation of product carbon footprint increases operating income 2. Entering new markets (short-term opportunity) (1) Expanded sales volume and increased revenue (2) Coll	1.1 Climate Action (TCFD)	33





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3	Describe the financial impact of extreme weather events and transition actions.	The Company's Sustainability Office coordinates departments to jointly analyze climate risks, and guides employees to identify the risks and opportunities that extreme weather events may bring to operations in different climate change scenarios through internal discussions, inventory taking, and assessments. It then calculates the corresponding financial impact and response costs. For the financial impact of extreme weather events and transition actions, please refer to 1.1 Climate Action (TCFD) in Chapter 1 of the 2024 Sustainability Report, or the Corporate Sustainability section on the Company's website, "Climate Action and Environmental Management" webpage (https://esg.walsin.com/en/focus/climate).	Action	33	
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Board of Directors is the highest decision-making body for risk management (including climate change and environmental risks), and responsible for approving overall risk management policies and major decisions. To ensure stable operations and sustainable development, the Company has established a Risk Management Policy and Procedures approved by the Board of Directors to establish a comprehensive risk management system. This system involves the Board of Directors, Audit Committee, Auditing Office, President and President's Office, risk management units, all departments, and subsidiaries jointly implementing relevant risk management measures. It clearly defines risk management objectives, management procedures, and control mechanisms, and also identifies emerging risks annually, monitoring global environmental changes and development trends while comprehensively considering the Company's business development and future prospect planning. To reduce the impact and influence of internal and external risks, the Company's governance units and risk management-related units identify environmental, social, and corporate governance issues related to operations based on materiality principles, corporate business, and operational characteristics, and plan relevant management and monitoring measures. Risk identification is conducted regularly every year in a meticulous and systematic manner. For identified risk items, each risk management unit conducts measurement and monitoring, reporting regularly to the Board of Directors. For information on the Company's risk management processes and systems, please refer to Chapter 3 Corporate Governance in the 2024 Sustainability Report.	1.1 Climate Action (TCFD) 3.4.1 Risk Management	33 117	
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.	Based on the geographical locations of its operating sites, the Company assesses the risks that climate disasters such as floods, droughts, typhoons, and high temperatures may bring to each operating plant. It further selects scenarios to analyze the potential financial impacts under different climate scenarios, integrates the analysis results into resilience strategy planning, and actively adjusts and strengthens mitigation and adaptation operations. (I) Physical Risks Using the climate warming scenarios from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report: 1. SSP 3-7.0: A high to medium emission scenario where greenhouse gas emissions peak around 2060. 2. SSP 5-8.5: An extremely high impact emission scenario where climate change significantly intensifies changes in future average temperatures, extreme high temperatures, annual total rainfall, maximum 1-day rainfall intensity, maximum consecutive days without rainfall, and proportion of strong typhoons, potentially affecting the Company's operations and its value chain. In addition, risks are categorized as immediate and long-term. Immediate risks include increasingly severe extreme weather events such as typhoons and floods, while long-term risks include rising average temperatures and sea levels. These are used to calculate potential financial impacts, including decreased or interrupted production capacity, impacts on labor management and planning, increased operational costs, and reduced sales leading to decreased revenue.	1.1 Climate Action (TCFD)	33	



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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.	 (II) Transition Risks NDC: The Republic of China has committed to its Nationally Determined Contribution (NDC) to control global warming within 1.5° C, and companies face transition risks arising from the low-carbon transition. IEA NZE 2050: Based on scenario analysis provided in the International Energy Agency (IEA) World Energy Outlook (WEO), a pathway is established to stabilize global temperature rise within 1.5° C. Evaluating the transition risks under the above 2 scenarios, their risk classifications and possible risk impacts are: Policies and regulations: Increased requirements for controlling greenhouse gas emissions, imposition of carbon fees and taxes, stricter regulatory oversight of existing products, etc. Technology: Substitution of existing products and services with low-carbon alternatives, low-carbon technology transition costs, investment in new technologies, etc. Market: Rising raw material costs, changes in customer behavior, market information uncertainties, etc. Reputation: Shifting consumer preferences, industry stigmatization, and increased negative stakeholder responses. For major financial impacts, please refer to Climate Action and Environmental Management in Chapter 1 of the 2024 Sustainability Report, or the Corporate Sustainability section on the Company's website, "Climate Action and Environmental Management" webpage (https://esg.walsin.com/zh_TW/focus/climate). 	1.1 Climate Action (TCFD)	33	
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, as well as the indicators and targets used to identify and manage physical risks and transition risks.	 (I) Transition Plan for Climate-Related Risks 1. 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 valorization chain. The Company will continue to increase the proportion of clean technology products, create shared value with customers, and establish a sustainable business model. 2. Smart manufacturing In the manufacturing process, the Company uses 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 the Company's operational efficiency. 3. 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. (II) Climate-Related Management Indicators and Targets Reduce electricity consumption and carbon emissions by 1.5% every year starting in 2022 (Base year: 2021). Renewable energy and green power will be purchased in 2025. 	1.1 Climate Action (TCFD) 1.2.2 Energy Saving and Carbon Reduction Management	33 44	
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Since 2023, the Company has actively planned and established an internal carbon pricing mechanism. In 2024, referencing the Ministry of Environment's 3 carbon fee regulations setting NT\$300 per metric ton, carbon fee calculation, and autonomous reduction plan management, the Company established an internal carbon pricing calculation standard. Starting from 2025, fees will be collected according to the internal carbon pricing calculation standard. At the same time, business1 units are required to actively promote energy conservation and carbon reduction measures. Regular adjustments to internal carbon pricing collection will be made based on each unit's energy conservation performance and carbon reduction target achievement rates, thereby enhancing carbon management efficiency and achieving optimal carbon reduction results.	-	-	168



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#	Item	Execution	Corresponding Chapter	Page
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 the quantity of RECs used to offset emissions should also be disclosed.	The Company actively responds to climate change by formulating carbon management, net-zero emissions, and resource recycling policies and visions. Through increased annual investments in energy conservation, carbon reduction, resource reuse, and green supply chain management software and hardware, the Company enhances ecological benefits in energy conservation, water conservation, waste reduction, and greenhouse gas reduction, committed to creating a sustainable and environmentally friendly operational system. In 2022, the Environmental Safety and Health Management Committee dynamically adjusted the 5-year energy management plan, setting annual electricity and carbon reduction targets of 1.5%, and aiming to reduce water usage by 15% in 2030 compared to 2014. The Sustainable Development Committee regularly monitors progress. For greenhouse gas emission reduction planning schedules and achievement progress, please see Point 9 below and Chapter 1 of the 2024 Sustainability Report, Climate Action and Environmental Management, or the Corporate Sustainability section on the Company's website, "Climate Action and Environmental Management" webpage.	33	42
9	Please refer to Tables 1 and 2 below for the GHG inventory, assurance status and reduction targets, strategies, and specific action plans.	Please refer to Tables 1 and 2 below.	1.2 Energy and Greenhouse Gas Management	42

Table 1: GHG Inventory and Assurance Information for the Last 2 Years

The Company has established a greenhouse gas mechanism in accordance with the ISO 14064-1:2018 greenhouse gas inventory standard issued by the International Organization for Standardization (ISO), and since 2014, has conducted regular annual inventories of the Company's standalone greenhouse gas emissions. Starting from 2023, the Company began inventorying greenhouse gas emissions from subsidiaries included in the consolidated financial reports, comprehensively tracking greenhouse gas usage and emissions, and verifying the effectiveness of reduction actions.

The Company's greenhouse gas disclosure schedule planning is as follows:

		2022	2023	2024	2025	2026	2027
Company-wide Planning	Inventory	Taiwan, Mainland China, Malaysia	Waltou Green Resources	Indonesia WNII and PT. Sunny Metal Industry, CAS on a consolidated basis			
and Implementation	Assurance	Taiwan	Mainland China, Malaysia	Indonesia WNII and PT. Sunny Metal Industry		CAS on a consolidated basis	
Regulatory Requirements	Disclosure		Inventory data (Standalone)	Assured data (Standalone)	Inventory data (Consolidated)		Assured data (Consolidated)

The greenhouse gas inventory data for the past 2 years has been compiled based on the operational control method, summarizing greenhouse gas emissions from the Company and its subsidiaries included in the consolidated financial reports, as well as the implementation of assurance, as described below.



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Scope 1^{Note 1}

APPENDIX

		2023	;		2024				
Included Entities	Total Emissions Note 2	Intensity Note3	Assurance Body	Description of Assurance Status	Included Entities	Total Emissions ^{Note 2}	Intensity ^{Note3}	Assurance Body	Description of Assurance Status
Walsin Lihwa Corporation	135,284.04	1.66	TÜV RHEINLAND TAIWAN LTD.	The third-party verification has been completed. Please refer to the official website (Document Center) for details.	Walsin Lihwa Corporation	146,027.55	1.67	TÜV RHEINLAND TAIWAN LTD.	The full assurance information will be disclosed in the Sustainability Report, and the relevant information can also be found on the official website (Document Center).
Subsidiaries on a consolidated basis (including Shanghai Walsin, Jiangyin Walsin (Specialty Alloy Materials), Yantai Walsin, Changshu Walsin, Walsin Precision)	68,702.15	2.84	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 Changshu Walsin: LAJ International Certification Walsin: LAJ International Certification Walsin Precision: British Standards Institution (BSI)	The third-party verification has been completed. Please refer to the official website (Document Center) for details.	Subsidiaries on a consolidated basis (including Shanghai Walsin, Jiangyin Walsin (Specialty Alloy Materials), Yantai Walsin, Changshu Walsin, Walsin Precision)	3,060,917.18	34.52	 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 Changshu Walsin: LAJ International Certification Walsin Precision: British Standards Institution (BSI) PT. Walsin Nickel Industrial: TÜV NORD Taiwan PT. Sunny Metal Industry: TÜV NORD Taiwan CAS: Self-inventory was not verified 	The full assurance information will be disclosed in the Sustainability Report, and the relevant information can also be found on the official website (Document Center).
Total	203,986.19	1.93			Total	3,206,944.73	18.22		



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Scope 2^{Note 1}

		2023	3		2024				
Included Entities	Total Emissions Note 2	Intensity Note3	Assurance Body	Description of Assurance Status	Included Entities	Total Emissions ^{Note 2}	Intensity ^{Note3}	Assurance Body	Description of Assurance Status
Walsin Lihwa Corporation	191,192.18	2.35	TÜV RHEINLAND TAIWAN LTD.	The third-party verification has been completed. Please refer to the official website	Walsin Lihwa Corporation	196,717.44	2.25	TÜV RHEINLAND TAIWAN LTD.	The full assurance information will be disclosed in the Sustainability Report, and the relevant information can also be found on the official website (Document Center).
Subsidiaries on a consolidated basis (including Shanghai Walsin, Jiangyin Walsin (Specialty Alloy Materials), Yantai Walsin, Changshu Walsin, Walsin, Precision)	135,432.21	5.59	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: LAJ International Certification Walsin: British Standards Institution (BSI)	The third-party verification has been completed. Please refer to the official website	The third-party verification has been completed. Please refer to the official website (Document Center) for details.	3,249,623.88	36.65	 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 Changshu Walsin: LAJ International Certification Walsin Precision: British Standards Institution (BSI) PT. Walsin Nickel Industrial: TÜV NORD Taiwan PT. Sunny Metal Industry: TÜV NORD Taiwan CAS: Self-inventory was not verified 	The full assurance information will be disclosed in the Sustainability Report, and the relevant information can also be found on the official website (Document Center).
Total	326,625.01	3.09			Total	3,446,341.32	19.58		

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Scope 3^{Note 1}

2023					2024				
Included Entities	Total Emissions Note 2	Intensity Note3	Assurance Body	Description of Assurance Status	Included Entities	Total Emissions ^{Note 2}	Intensity ^{Note3}	Assurance Body	Description of Assurance Status
Walsin Lihwa Corporation	2,212,164.16	27.23	TÜV RHEINLAND TAIWAN LTD.	The third-party verification has been completed. Please refer to the official website (Document Center) for details.	Walsin Lihwa Corporation	2,423,215.23	27.73	TÜV RHEINLAND TAIWAN LTD.	The full assurance information will be disclosed in the Sustainability Report, and the relevant information can also be found on the official website (Document Center).
Subsidiaries on a consolidated basis (Including Shanghai Walsin, Jiangyin Walsin (Specialty Alloy Materials), Yantai Walsin, Changshu Walsin, Walsin Precision)	2,110,482.66	87.13	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: LAJ International Certification Walsin Precision: British Standards Institution (BSI)	The third-party verification has been completed. Please refer to the official website (Document Center) for details.	Subsidiaries on a consolidated basis (including Shanghai Walsin, Jiangyin Walsin (Specialty Alloy Materials), Yantai Walsin, Changshu Walsin, Walsin Precision on a consolidated basis)	1,375,634.10		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: British Standards Institution (BSI) PT. Walsin Nickel Industrial: TUV NORD Taiwan PT. Sunny Metal Industry: TÜV NORD Taiwan CAS: Self-inventory was not verified	The full assurance information will be disclosed in the Sustainability Report, and the relevant information can also be found on the official website (Document Center).
Total	4,322,646.82	40.98			Total	3,798,849.33	33.84		

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 starts from 2023.

Note 2: Total emissions (metric tons CO₂e)

Note 3: Intensity = metric tons CO₂e / Revenue in NT\$ 1 million



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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 (base year for greenhouse gas reduction: 2021). Medium to long term: Achieve the goal of Net Zero 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 Disclosures (TCFD) evaluation framework to identify climate-related risks and opportunities by reference to more than 2 climate change scenarios. Introduce an energy management system and carbon inventory. Promote carbon 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. The company introduced 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 real-time energy management. In 2023, all of the Company's Taiwan and Mainland China plants passed ISO 50001:2018 certification. In 2020, the Company's 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 the Company's Taiwan plants (ISO 14067 carbon footprint inventory (B2B)) was obtained. Since 2014, each plant has initiated carbon inventory and third-party verification, and in 2023, the carbon inventory and third-party verification was completed in the Company's plants in Taiwan and Mainland China. Every year, the Company 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 system for real-time management. In 2024, a total of 105 carbon reduction plans were proposed in the Compa

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Information Disclosed	Corresponding Chapter	Page	Remarks
Article 3, Paragraph 2 Risk assessment of environmental, social, and corporate governance followed by stipulation of relevant performance indicators to manage the material topics identified	Identification, Analysis, and Management of Material Topics	15	
Article 3, Paragraph 3 Align the content of the disclosure report with the content index of GRI guidelines, and indicate within the report whether each disclosure item has obtained third-party assurance or certification.	Appendix 1. GRI Content Index Appendix 7. Independent Third-Party Assurance Statement	154 177	
Article 4, Paragraph 3 Enhancing disclosure of sustainability indicators according to industry sectors.	Appendix 2. SASB Index: Steel Industry Sustainability Indicators (TWSE)	161	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 3. Climate-Related Information Required by TWSE	33 166	





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Appendix 5 Support for the United Nations Global Compact

APPENDIX

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	Corresponding Section	Page
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	 Walsin Lihwa complies with the local laws and regulations as well as human rights conventions and standards recognized by the international community, including the Universal Declaration of Human Rights, the United Nations Global 		
	2.Make sure that they are not complicit in human rights abuses	Compact, the ILO Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles		
	3.Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	on Business and Human Rights, and the UN Declaration on the Rights of Indigenous Peoples. Guiding principles are as follows:	2.1 Human Rights and Talent	
	4. The elimination of all forms of forced and compulsory labor	 Develop a healthy and safe work environment Fair and reasonable compensation and work conditions 	Management Policy 2.3 Talent Motivation and Retention	68 81
	5. The effective abolition of child labor	 Equal employment opportunities without discrimination Prohibit child labor, human trafficking, and forced labor 	2.4 Workplace Safety and Health3.5 Supply Chain Sustainability	85 125
Labor	6. The elimination of discrimination in respect of employment and occupation	 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 Promote human rights policies through supplier conferences Require suppliers to sign the Supplier Management Commitment 	and Customer Service	
	7. Businesses should support a precautionary approach to environmental challenges	· Developed high-performance green products, improved product applications, and developed a green ecosystem.	12 Energy and Creenbauge Cas	
Environment	8. Undertake initiatives to promote greater environmental responsibility	Committed to green manufacturing process development, promoted waste reduction at the source, and strengthened	1.4.2 Waste and Resource Recycle	43 58
	9. Encourage the development and diffusion of environmentally friendly technologies	 Strengthened energy management, promoted energy saving and carbon reduction, and decreased waste emissions. Increased resource use efficiency and recycling for a circular economy. 	4.1 Product and R&D Innovation4.2 Green Products andOperation	136 143
Anti- corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery	 Implemented legal compliance promotion as well as education and training on business integrity to strengthen the awareness of compliance. Amended and perfected business integrity 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. 	3.1 Corporate Governance 3.3 Business Integrity	108 115



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Appendix 6 Participation 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, the Company has 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 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. Walsin Lihwa looks forward to helping Taiwan move toward net-zero emissions. In 2024, Walsin Lihwa participated in a total of 26 external associations, with a total donation amount of NT\$4,075,100. The industry associations are listed in the table below according to total expenditures in each category. 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.

Unit: NT\$

Category	Association Name	Member	Director/Supervisor	Membership Fee/ Amount of Activity Sponsorship
	Wind Energy Committee, European Chamber of Commerce Taiwan	\Diamond		22,500
Clean energy development	Taiwan Wind Energy Association	\Diamond		20,000
	Taiwan Carbon Capture Storage and Utilization Association	\Diamond		10,000
	International Wrought Copper Council	\bigcirc	Director	1,207,500
Industrial economic	ICF - Cablemakers Federation GmbH	\bigcirc		415,200
and trade exchanges	Chinese National Association of Industry and Commerce, Taiwan	⊘	Standing Supervisor	650,000
	Taiwan Electric Wire & Cable Industries Association	\Diamond	Vice Chairman	132,000
Sustainable development and	Criminal Investigation and Prevention Association, R.O.C	\Diamond	Chairman	600,000
social promotion	Taiwan Center for Corporate Sustainability	\Diamond	Chairman	280,000

The Company's Italian subsidiary CAS also actively participates in global industry associations and shares the concept of corporate sustainability with them. These organizations include the steel industry, technology and research, quality management, and even aerospace, fully demonstrating CAS's active participation and contributions to the development of the stainless steel industry as well as its social responsibility. The external associations that CAS participates in include Confindustria, FederAcciai, and Responsible Steel.



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Appendix 7 Independent Third-Party Assurance Statement







INDEPENDENT ASSURANCE OPINION STATEMENT

Walsin Lihwa Corporation 2024 Sustainability Report

The British Standards Institution is independent to Walsin Lihwa Corporation (hereafter referred to as Walsin Lihwa in this statement) and has no financial interest in the operation of Walsin Lihwa other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Walsin Lihwa only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Walsin Lihwa. The review does not extend beyond such information and is solely based on it. in performing such review, the British Standards Institution has assumed that all such information is complete and accurate. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Walsin Libwa only.

Scope

The scope of engagement agreed upon with Walsin Lihwa includes the followings:

- 1. The assurance scope is consistent with the description of Walsin Lihwa Corporation 2024 Sustainability Report.
- 2. The evaluation of the nature and extent of the Walsin Lihwa's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000 AS v3 sustainability assurance engagement

This statement was prepared in English and translated into Chinese for reference only

Opinion Statement

We conclude that the Walsin Lihwa Corporation 2024 Sustainability Report provides a fair view of the Walsin Lihwa sustainability programmes and performances during 2024. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the Walsin Lithwa and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate. Walsin Lihwa's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3 We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Walsin Lihwa's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to Walsin Lihwa's policies to provide a check on the appropriateness of statements made in the report
- discussion with managers on Walsin Lihwa's approach to stakeholder engagement. Moreover, we had sampled 1
- Interview with 34 staffs involved in sustainability management, report preparation and provision of report information were carried out
- review of materiality assessment process
- review of key organizational developments.
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports. - review of the findings of internal audits.
- the verification of performance data and claims made in the report through meeting with managers responsible for
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits.
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and sustainability

In this report, it reflects that Walsin Lihwa has sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Walsin Lihwa's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

The Walsin Lihwa publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Walsin Lihwa and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Walsin Lihwa's management and performance. In our professional opinion the report covers the Walsin Lihwa's materiality assessment process and material issues.

Walsin Lihwa has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the Walsin Lihwa is developed and provides the opportunity to further enhance Walsin Lihwa's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Walsin Lihwa's responsiveness issues.

Walsin Lihwa has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Walsin Lihwa has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the Walsin Lihwa's impact issues

Performance information

Based on our work described in this statement and with no conflict of interest with the Walsin Lihwa in relation to providing the assurance of ESG performance information, which has been assured, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, Walsin Lihwa and BSI have agreed upon to include in the scope. In our view, nothing has come to our attention that the data and information contained within Walsin Lihwa Corporation 2024 Sustainability Report were no significant errors, omissions, or misstatements based on procedures undertaken by means of vouching, re-tracking, re-computing and confirmation.

GRI Sustainability Reporting Standards (GRI Standards)

Walsin Lihwa provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported. or omitted. In our professional opinion the self-declaration covers the Walsin Lihwa's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

This sustainability report is the responsibility of the Walsin Lihwa's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code

For and on behalf of BSI:



...making excellence a habit."

Licensed Report 000-4/V3-BVSLL Statement No: SRA-TW-817184 2025-04-29

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Taxway Handamaruru, 2nd Flour, No. 37, Ji-Hu Rd., Nov Hu Diec., Tayur 114, Taxway, R.D.C.

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