

3 Environmental Protection



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Management Approach

Topic	Strategies	2023 Targets	2023 Results	Status	2024 Targets	2030 Targets
Climate Change and Energy Management	<ul style="list-style-type: none"> 1.Improve energy efficiency 2.Improve renewable energy consumption 	Absolute greenhouse gas reduction of 13% compared to 2022	<p>-14.84% Total Greenhouse Gas (GHG) Emissions amounted to 87,862.74(tons of CO₂e)</p>	●	-22.5%	Carbon neutral (Scope1+Scope2)
		Renewable energy in electricity consumption ≥ 65%	<p>66.47% 1. Solar energy generation : 15,505MWh 2. PPA : 46,593 MWh 3. Purchase of renewable energy certificates : 190,275 MWh</p>	●	72.5%	100%
Water Management	<ul style="list-style-type: none"> 1.Implementation of water resource management and day-to-day water conservation 2.Implementation of water recycling and wastewater management 	Water consumption intensity reduced by 11% compared to 2016	<p>-41% Total water usage amounted to 2,629.6 (million liter)</p>	●	-12%	-18%
Waste Management	<ul style="list-style-type: none"> 1.Continuous implementation of waste classification and waste reduction 2.Enhancement of waste recycling and reuse 	Waste intensity reduction of 6% compared to 2018	<p>-6.4% Waste generation (including landfilling and without energy recovery) 31,827.4 (tons)</p>	●	-8%	-20%

● Over 95% ● 90%-95% ● Under 90%

3.1 Management System

3.1.1 Environmental Protection Policies

Wistron is committed to abiding by environmental and energy regulations associated with our activities, products and services, as well as customer requirements in order to achieve our set goals and targets or attain meet and exceed regulatory targets. We actively support government environmental protection policies and continue to mitigate and prevent pollution. (Please refer to the [company website](#) for our full environmental policy).

Environmental Management Policies

- We regularly perform regulatory compliance audits to ensure current practices comply with new regulations.
- We perform internal audits and third-party verification each year to ensure our management systems are operating effectively.
- In addition to keeping pulse with international issues and trends, Wistron has adopted the ISO 14001 Environmental Management System in all global operations. We seek to satisfy the requirements in environmental protection regulations of local governments; effectively reduce environmental impacts of business activities and improve environmental management performance to attain our ultimate goal of sustainable development.

Environmental Complaint Channels

To ensure communication channels for environmental complaints, Wistron has a [Stakeholder Communication Section](#) on the company's official website for stakeholders such as customers, employees, shareholders, suppliers, government agencies, non-profit organizations, and the media. Any environmental complaints received through such channels are addressed and responded to in accordance with related procedures.

Environmental Education and Advocacy

Wistron seeks to enhance employee awareness of environmental protection and occupational health and safety. Every plant organizes safety and environmental

protection campaigns every year and uses promotions, contests, and activities to encourage employees to participate and learn more about the importance of environmental protection and occupational safety.

Compliance with Environmental Laws and Regulations

In 2023, Wistron had no violations of environmental laws and regulations. During the years 2019 to 2023, Wistron had only one fine related to environmental regulations in 2021, amounting to NT\$1,445,420. The plant has cooperated with the relevant local competent authorities to remediate the situation and continues to monitor the progress. We will continue to focus on changes in environmental laws and regulations in various countries, update and implement internal procedures and regulations, periodically organize legal compliance training, and include the training in the annual internal training plan to ensure the legal and regulatory compliance of every aspect of the company's operations and align with our stakeholders' expectations.

Spotlight

Green and low-carbon manufacturing has been implemented, and green factories have been built to lead the industry benchmark. The title of Environmental Protection and Integrity Enterprise was awarded

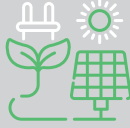


In response to the global green transition trend, Wistron's manufacturing facilities have been actively participating in local certifications and accreditations. In recent years, Wistron's manufacturing facilities have been actively promoting decarbonization, enhancing green and low-carbon awareness across the company via management measures, proactively conserving energy and reducing carbon emissions, engaging in cleaner manufacturing, and implementing green strategies and technologies to enhance eco-efficiency. Wistron has been gradually putting in practice its belief in low-carbon manufacturing while protecting the environment and ecology and ensuring energy/resource efficiency. Wistron expects its manufacturing facilities to realize the company's vision for sustainable and green factories to showcase the company's ambition for sustainability.

- Zhongshan Plant has met requirements for 6 level-1 indicators - infrastructure, management system, energy/resource committed, product management, environmental emissions and performance, and 25 level-2 indicators to achieve its goals of intensive land utilization, switching to harmless raw materials, clean manufacturing, waste recycling, and low-carbon energy sources. The plant was officially recognized as a national green factory in 2023 and has further improved its green manufacturing management to fulfill its vision of sustainability.
- The Hsinchu Plant successfully obtained cleaner production certification, which assesses areas including production/manufacturing, design for environment, green management, social responsibilities, and innovation. This certification confirms that the plant has integrated strategic sustainability planning, measures, and results into its daily operations, aligning with the company's core values. Hsinchu Plant aims to use its experience in achieving this certification as a foundation to assist other new plants in Taiwan in obtaining green factory certification.
- Chengdu Plant participated in the Provincial Enterprise Environmental Credit Evaluation in 2023, which covers 29 indicators such as compliance management, environmental certificates, pollution governance and maintenance, solid waste management, monitoring report requirements and managing professionals. The plant was recognized as an Environmental Protection and Integrity Enterprise with more than 100 points in its evaluation.
- In 2023, the Kunshan Plant was officially recognized as a Provincial Green Factory after implementing a green factory certification mechanism and establishing an organizational structure to support its construction. This structure encompasses infrastructure, management systems, energy and resources, environmental considerations, and the development of a green supply chain.



3.1.2 Environmental Investments and Benefits

• Environmental Investments

Investment Type	Description	Investment Start Year	Accumulated Investment Amount (NTDK)	Benefits
 <p>Solar Power Generation Equipment</p>	<p>Wistron installed solar power generation equipment at the Neihu Headquarters, Zhongshan Plant, Kunshan Plant, Kunshan Opt Plant, Malaysia Plant, Mexico Plant, Vietnam Plant, and Chongqing Plant. In 2023, the company expanded the area dedicated to solar power generation by 15,580 m² at Chongqing Plant, increasing solar power capacity.</p>	<p>2017</p>	<p>474,643.4 (Y23:65,982.84)</p>	<p>Installed capacity of solar panels : 20,164 kW The total generation capacity : 18,216 MWh Carbon reduction : 12,318 tCO₂e</p>
 <p>Solar Heating Equipment</p>	<p>Wistron installed large quantities of solar panels on the rooftops of Zhongshan Plant, Kunshan Plant and Kunshan Opt Plant to make full use of the space. The panels are used to generate electricity for the plants or used for heating water in the dormitories to reduce carbon emissions from the use of electricity or natural gases.</p>	<p>1998</p>	<p>108,541.2</p>	<p>5,023 sets of solar water heater equipment Natural gas savings (monetary) : NT\$28,370,469 Annual natural gas savings (volume) : 1,834,255m³</p>
 <p>Smart Energy Conservation</p>	<p>Starting in 2019, Wistron began introducing smart energy saving systems. We used AI and IoT technologies to integrate digital technologies with environmental management. Optimized energy usage is based on supply and equipment performance to achieve energy saving effects.</p>	<p>2020</p>	<p>130,615.3 (Y23: 11,579.6)</p>	<p>Total Energy Savings : 65,420.6 MWh Carbon reduction : 50,109.05 tCO₂e</p>

3.2 Climate Risk Management

In 2019, Wistron adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework to identify climate risks and opportunities and used it to create metrics, indicators and targets for management. Starting from 2020, the ESG Committee began reporting climate risks, mitigation measures, and progress toward related targets to the Board of Directors on an annual basis. In 2021, Wistron officially became a TCFD Supporter. Starting from 2022, we officially introduced, in coordination with the group, the Enterprise Risk Management (ERM) mechanism, which also integrates climate and biodiversity risks. In accordance with the Company's "Risk Management Policies and Procedures," each risk owner must conduct risk assessment for the identified risk scenarios through a management process that includes risk identification, risk analysis, risk evaluation, risk response and monitoring, risk reporting and disclosure, etc. In addition, a risk response improvement plan is proposed based on the assessed residual risk level to effectively adapt to risks.

3.2.1 Climate Governance Structure



Climate change and global warming are issues currently confronting the global community. While floods, droughts, and other physical risks brought on by extreme weather threaten business continuity, the transition to a low carbon economy to achieve sustainable goals is a proactive solution that can also generate immense opportunities for the industry. We are at a pivotal moment in history. To strengthen climate governance, Wistron has named the Board of Directors as the highest supervising unit for climate issues. The Board is responsible for coordinating general climate strategies and overseeing senior executives in climate risk management and key performance indicators. The Audit Committee, a functional committee directly under the Board of Directors, is composed entirely of independent directors. A Risk Management Team is established under the committee, with the CFO serving as the convener, and members including department heads and representatives from various business units. The Risk Management Team conducts comprehensive assessments and analysis of various risks, including climate risks, and formulates response and adaptation strategies. It produces and submits an Enterprise Risk Management report to the Audit Committee, ensuring that senior executives have insight into climate issues so that related risks can be handled with prudence.

The Risk Management Team under the Audit Committee regularly reviews the Company's risk assessments and countermeasures in various aspects such as environment, social, and corporate governance. Such reviews cover progress in addressing climate change and biodiversity; identification and formulation of response strategies targeting emerging risks; and more. The Committee reports to the Board of Directors at least twice each year. To roll out sustainability strategies, the Sustainability Office under the ESG Committee reports monthly to the President & CEO on the progress of sustainable strategies and projects, including climate actions. It also reports at least once a quarter to the ESG Committee and the Board of Directors on current progress and future plans of corporate sustainability, including issues relating to climate change.



3.2.2 Mitigation and Adaptation Strategies

Related departments of Wistron plants across the world identify climate risks and opportunities and calculate their respective management costs and financial impacts. The Taipei HQ assigns departments to take charge of addressing material risks and opportunities. They convene meetings to form consensus and determine actions to be taken for risks with material impacts on the Company's finance. Wistron currently defines financial impacts greater than NT\$100M as material impact. We also conducted a physical impact analysis of climate change in Taiwan, where our Company HQ is located, analyzing high temperatures, droughts, floods and other major disaster types of concern to stakeholders with information from the "Taiwan Climate Change Projection Information and Adaptation Knowledge Platform" (TCCIP). These analyses contribute to the research and development of the Group's future impact adaptation plan. For Wistron, disasters with physical impacts are the biggest source of climate risks to our operations with direct effects on our production capacity. On the other hand, opportunities appear as our customers' demand for green products increases, which presents rising opportunities to collaborate with customers and drive R&D and innovation capabilities. As such, Wistron actively assesses investments and R&D for green products with increased demands as a result of climate change. For our upstream supply chain, climate risks can lead to natural disasters that can affect our suppliers' operations. Therefore, Wistron requires suppliers to be equipped for flexible deliveries and to provide multiple shipment options. We also continuously deepen our sustainable supply chain management efforts to enhance supply chain resilience.

• Climate Risk Scenario Analysis

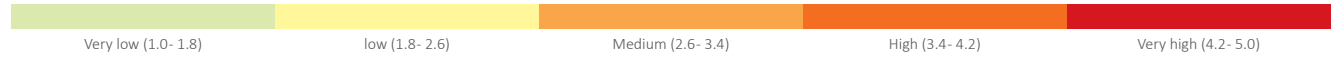
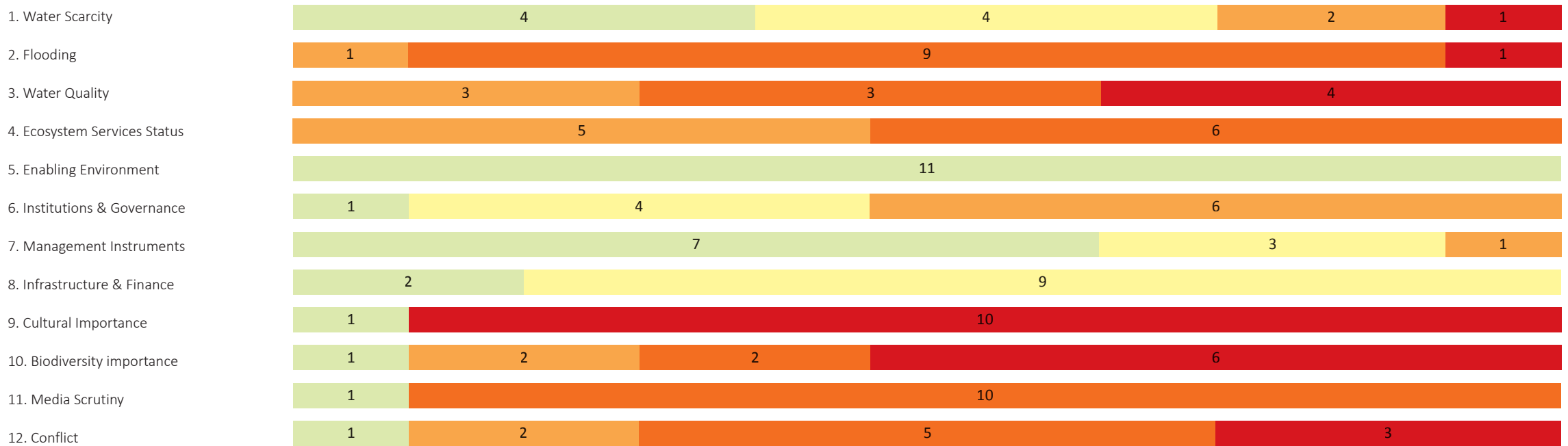
Risk Type	Scenario	Timeline	Assumed Parameters	Results		
				Upstream (Supply Chain)	Wistron	Downstream (Customers)
Transition	1.5°C	2021-2030	4.2% in annual carbon (Scopes 1+2) reductions. 100% green electricity by 2030	Industry transformations will drive low carbon investments, which will in turn increase operating costs. Companies who fail to overcome challenges from the low carbon transformation will lose their competitive advantage.	Aligned with international low carbon transformation trends and statutory, Wistron has established targets to reach 80% renewable electricity use for 2025 and 100% for 2030. Due to business growth, the group's electricity consumption is estimated to increase by approximately 1.6 times by 2030 compared to 2022. Consequently, increased investments are required to accelerate energy transformations and increase green energy usage.	In response to sustainable transformations trends, customers will increasingly demand green manufacturing for their products, therefore imposing renewable energy requirements on their upstream suppliers.
	IEA 2°C	2021-2030	Carbon price:80-100 USD/ton CO ₂ e	Carbon- and energy-intensive suppliers will continue to face stricter laws and regulations, which will lead to rising operating expenses that may be passed onto downstream customers.	In response to recent factors such as the ongoing expansion of our operational footprint and business growth, and recognizing that purchased electricity is the main contributor to scope 1+2 emissions, the Group's electricity usage is projected to grow approximately 1.6 times by 2030 from 2022. It is therefore necessary to actively implement energy-saving and carbon reduction projects along with innovative technologies to reduce power consumption, thereby mitigating carbon risks.	As countries are now introducing carbon taxes, low-carbon/green products are expected to gradually gain a larger market share and become mainstream. It is anticipated that there will be increased collaboration with upstream supply chains to develop green products or services. In terms of product specifications, there will also be more requirements established for low carbon and circular economy.
	IEA below 2°C	2021-2030	Carbon price:90-120 USD/ton CO ₂ e			
	IEA Net Zero Emissions by 2050	2040-2050	Carbon price:160-200 USD/ton CO ₂ e			
Physical	RCP 6.0	2075~2099	Average annual temperature change is +0.95 ~ +3.45°C	High-temperature environments will increase occupational safety risks, and the working conditions at suppliers' sites will become an audit focus to ensure labor rights.	Number of extreme heat days have increased to over 90 days in Taiwan, which may cause production interruptions and revenue loss (of around one quarter).	Extreme temperatures will increase energy consumption and lead to increased carbon emissions.
	RCP 2.6/ RCP 8.5	Middle of the century (2046 to 2065) and end of the century (2081 to 2100)	Longest consecutive rainless days in a year: The base period of Taipei City is (1986 to 2005) 28 days. The base period of Hsinchu County is (1986 -2005) 39.5 days	More frequent seasonal droughts may have operational impacts on water-intensive suppliers, potentially leading to delays or disruptions in shipments.	Taiwan HQ and main manufacturing sites: The rainfall variability of Taipei City is 3.1% and Hsinchu County is 5.6%. The drought problem in Hsinchu County is expected to worsen.	Supply chain disruptions caused by severe droughts will impact the delivery schedule for downstream customers, thereby affecting product revenue
	RCP 8.5	Middle of the century (2039 to 2065)	For the 95th percentile of highest accumulated rainfall during extreme rains (region average), the level during the regional base period (1979 to 2008) in the Hsinchu Plant is 385 mm. It is expected to rise to 444 mm by the middle of the century	Short-term heavy rainfall causing floods will impact Hsinchu's science parks. The city is a major manufacturing hub for Taiwan's electronics and technology industry, meaning that heavy rainfall may lead to supply chain delays in delivery and contractual risks.	Impact analyses of flooding probabilities under warming scenarios indicate a notable increase in the probability of flooding exceeding 0.5 m from the base period to the middle of the century.	Severe flooding will cause transportation disruptions and problems with logistics, potentially delaying deliveries to customers and impacting expected revenue from products and services.

Water Risk Analysis of Major Wistron Plants Around the World

According to statistics from the United Nations Environment Program (UNEP), most impacts from climate change, including natural disasters are predominantly felt in the hydrological cycle. It is estimated that both the frequency and scale of these impacts will gradually increase in the future. More than 90% of climate impacts are related to "water," including droughts, floods and tropical storms, etc., all of which will have significant impacts on societies and economies. In response to escalating extreme climate threats, a comprehensive water risk analysis was conducted this year specifically for major manufacturing plants around the world. The water risk analysis tools and database (WWF Water Risk Filter) established by the World Wide Fund for Nature are used to carry out risk assessments for each plant. Taking 2020 as the base year, the assessment covers physical, regulatory and reputational risks.

Physical risk represents the natural and man-made conditions of river basins. It comprises four risk categories: drought, floods, water quality, and the status of ecosystem services. Regulatory risk assesses whether the country or region has good governance mechanisms and regulatory environments, covering four risk categories: enabling environment, institutions & governance, management instruments, and infrastructure and finance. Reputational risk represents stakeholders' and local communities' perceptions of whether a company operates in a sustainable and responsible manner concerning water resources. It includes four risk categories: the cultural importance of water to local communities, the importance of biodiversity, media scrutiny, and political conflict risks related to water in river basins. (WWF Water Risk Filter (2021))

• Number of Plants at Each Risk Level Under Different Risk Types:



• Type of Risks :

 <p>Physical risk</p> <ul style="list-style-type: none"> • Water Scarcity • Water Quality • Flooding • Ecosystem Services Status
 <p>Regulatory risk</p> <ul style="list-style-type: none"> • Enabling Environment • Management Instruments • Institutions & Governance • Infrastructure & Finance
 <p>Regulatory risk</p> <ul style="list-style-type: none"> • Cultural Importance • Media Scrutiny • Biodiversity Importance • Conflict



Results from the base year assessment show that, under current practices, most Wistron plants around the world are quite heavily exposed to physical risks and reputational risks caused by water risks. We also further assess the degree of water risk impact caused by future climate change to grasp trends in medium- and long-term risks. The formulation of enterprise risk management strategy and the basis of risk response plan can serve as foundations for future global operation plans and business strategies on top of existing routine operation management mechanism. In this scenario analysis, the time frame covers the mid-term (2030) and long-term (2050). There are three scenarios: optimistic, current trend, and pessimistic. Scoring is carried out for Wistron's major global manufacturing plants according to six risk levels:

	Physical risk			Regulatory risk			Reputational risk		
	2030 Optimistic Scenario	2030 Current Trend Scenario	2030 Pessimistic Scenario	2030 Optimistic Scenario	2030 Current Trend Scenario	2030 Pessimistic Scenario	2030 Optimistic Scenario	2030 Current Trend Scenario	2030 Pessimistic Scenario
Chengdu Plant (WCD)	3.53	3.57	3.73	1.78	2.29	2.59	3.95	3.95	3.95
Chongqing Plant (WCQ)	3	3.1	3.24	1.78	2.29	2.59	3.93	3.95	3.95
Czechia Plant (WCZ)	3.46	3.46	3.53	1.3	1.52	1.57	2.67	2.67	2.67
Xinan Plant (WIH)	2.63	2.88	2.9	1.98	2.06	1.85	4.5	4.5	4.5
Hukou Plant (WIHK)	2.63	2.88	2.9	1.98	2.06	1.85	4.5	4.5	4.5
Kunshan Plant (WKS)	3.91	4.08	4.28	1.89	2.4	2.7	4.25	4.27	4.27
Mexico Plant (WMX)	4.25	4.44	4.59	2.07	2.32	2.16	3.84	3.82	3.82
Malaysia Plant (WOK)	2.83	2.91	2.98	2.34	2.92	3.23	3.69	3.67	3.67
Wei Shih Ching Opt Plant (WOK)	3.91	4.08	4.28	1.89	2.4	2.7	4.25	4.27	4.27
Zhongshan Plant (WZS)	3.42	3.56	3.76	1.85	2.37	2.67	4.55	4.55	4.55

	Physical risk			Regulatory risk			Reputational risk		
	2050 Optimistic Scenario	2050 Current Trend Scenario	2050 Pessimistic Scenario	2050 Optimistic Scenario	2050 Current Trend Scenario	2050 Pessimistic Scenario	2050 Optimistic Scenario	2050 Current Trend Scenario	2050 Pessimistic Scenario
Chengdu Plant (WCD)	3.51	3.79	3.98	1.52	2.79	3.59	4.01	4.01	4.01
Chongqing Plant (WCQ)	2.89	3.14	3.47	1.76	2.79	3.59	3.93	3.93	3.93
Czechia Plant (WCZ)	3.52	3.54	3.61	1.3	1.82	2.02	2.73	2.73	2.73
Xinan Plant (WIH)	2.79	3.18	3.16	1.78	1.98	3.7	4.5	4.5	4.5
Hukou Plant (WIHK)	2.79	3.18	3.16	1.78	1.98	3.7	4.5	4.5	4.5
Kunshan Plant (WKS)	3.81	4.03	4.42	1.54	1.98	3.7	4.25	4.27	4.27
Mexico Plant (WMX)	4.14	4.42	4.54	1.65	2.32	1.88	3.88	3.9	3.9
Malaysia Plant (WOK)	3.13	3.42	3.4	1.92	3.42	4.22	3.69	3.69	3.69
Wei Shih Ching Opt Plant (WOK)	3.81	4.03	4.42	1.54	1.98	3.7	4.25	4.27	4.27
Zhongshan Plant (WZS)	3.34	3.68	4.05	1.52	1.95	3.67	4.55	4.55	4.55



• Type of Scenario Analysis :

	Optimistic	Current trends	Pessimistic
Climate aspects	Moderate emissions RCP2.6/ RCP4.5	Intermediate emissions RCP4.5/ RCP6.0	High emissions RCP6.0/ RCP8.5
Socio-economic aspects, extended towards water availability and use	Sustainability SSP1	Middle of the road SSP2	Regional rivalry SSP3

Wistron assesses and discloses risks to give stakeholders the opportunity to evaluate risks exposure associated with Wistron's operational activities. This is to enhance corporate governance quality through information transparency, Wistron internally operates under the Enterprise Risk Management (ERM) mechanism. Following regulations such as the "Risk Management Policy and Procedures" and procedural documents like the risk management manual, responsible units regularly monitor and report on key risk indicators (KRIs) based on risk assessment results. The Board of Directors serves as the highest supervisory body.

The results of this water risk assessment indicate that Wistron's global facilities face risks of varying magnitudes across the three risk dimensions: physical, regulatory, and reputational. Appropriate responses are required specifically for physical and reputation risks because of their higher exposure levels. In the future, relevant responsible units will develop tailored risk response plans based on the types and levels of exposure at each facility, rolling out relevant risk adaptation measures within five years to enhance resilience and address challenges posed by climate change.

• Adaptation Plan to Physical Risks

Natural Disasters | Current Situation | Changes to the Return Period | Adaptation Plan for the Group

High Temperatures

The average temperature of the Hsinchu Plant area in Taiwan was 22.39°C in 2018.

Changes to the 10-year return period:
The temperature increased to 23.3°C (RCP8.5)
The temperature increased to 23.62°C (RCP2.6)

The yearly average temperature is expected to continue to rise. In extreme heat scenarios, outdoor operations will be suspended when necessary, or appropriate measures will be taken in compliance with related laws and regulations. Indoor temperature will be regulated by air conditioning units. System and green building designs have been actively introduced to maximize efficiency. The newly built Vietnam factory was awarded the LEED v4 Building Design and Construction: New Construction and Major Renovation Silver certification by the US Green Building Council (USGBC) in 2022.

Drought

Longest consecutive period in a year without rainfall during the base period is 39.5 for the Hsinchu Plant in Taiwan.

Average change in the middle of the century (%):

RCP 2.6	
95%	14.7
75%	6.1
50%	2.2
25%	-0.3
5%	-5.9

Average change in the middle of the century (%):

RCP 8.5	
95%	18.1
75%	13.5
50%	5.6
25%	0.6
5%	-8

Average change at the end of the century (%):

RCP 2.6	
95%	14.8
75%	7.9
50%	2.4
25%	-1.2
5%	-6.9

Average change at the end of the century (%):

RCP 8.5	
95%	29.6
75%	22.6
50%	14.8
25%	4.7
5%	-7.4

The impacts of seasonal droughts are expected to worsen with the continued effects of climate change. Wistron's main production processes are not heavily dependent on water use but to fulfill our corporate social responsibilities, we will continue to improve our water usage efficiency. We have included short-, mid-, and long-term targets in routine performance evaluations and have established rainwater recycling systems in new plants, integrating various management measures in order to reduce the operational water usage of each unit.

Floods

According to the base period (1979 to 2003) data, Hsinan Plant in Hsinchu Science Park, our major production location in Taiwan, is situated in a level 4 (level 5 is the highest risk level) vulnerability area for flooding (combined evaluation of danger, vulnerability, and exposure).

Rainstorm changes in the next 5 days under RCP 4.5:

5 years	
95%	51
75%	45
50%	29
25%	9
5%	1

Rainstorm changes in the next 5 days under RCP 8.5:

5 years	
95%	57
75%	47
50%	29
25%	11
5%	-11

25 years	
95%	85
75%	51
50%	41
25%	12
5%	-5

25 years	
95%	84
75%	49
50%	38
25%	19
5%	-5

Flood prevention facilities and designs have been reinforced in every operating location. Alert and reporting mechanisms have been established to protect employee safety and reduce asset loss.

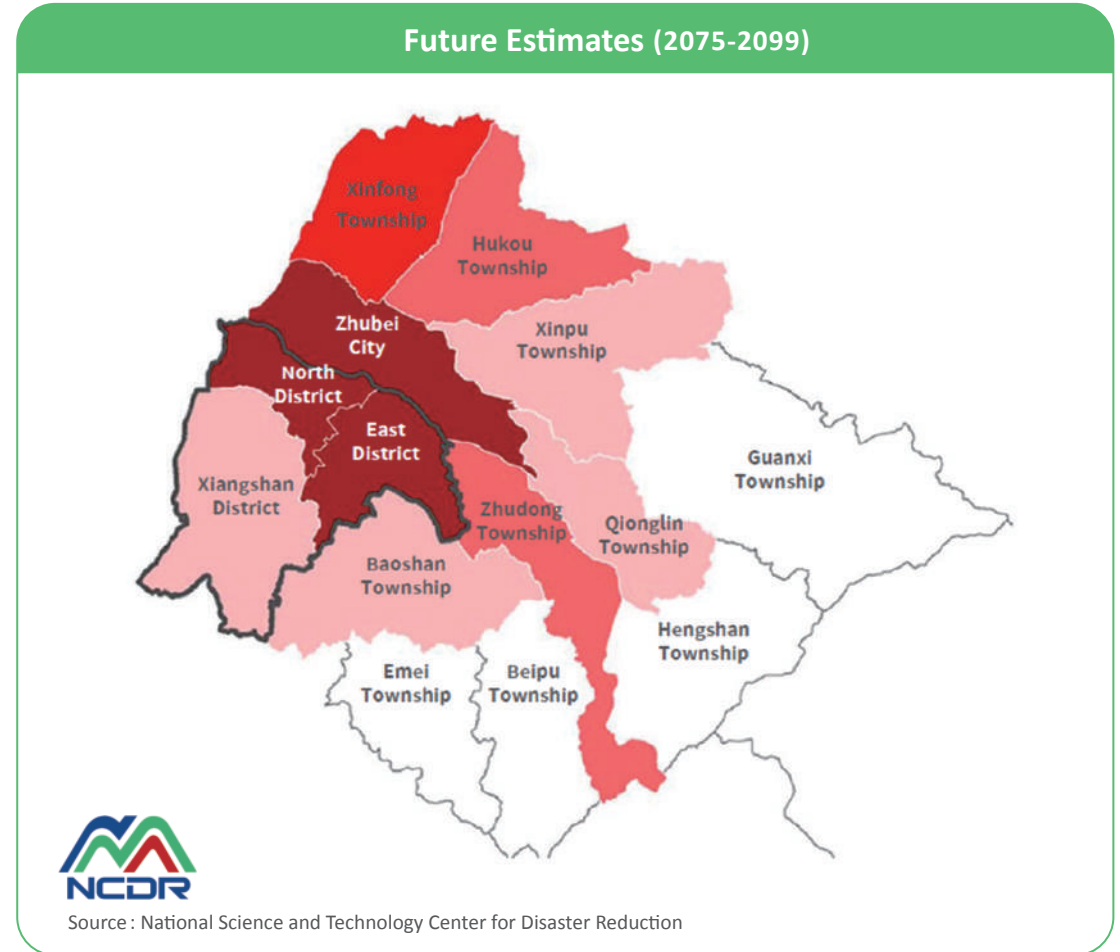
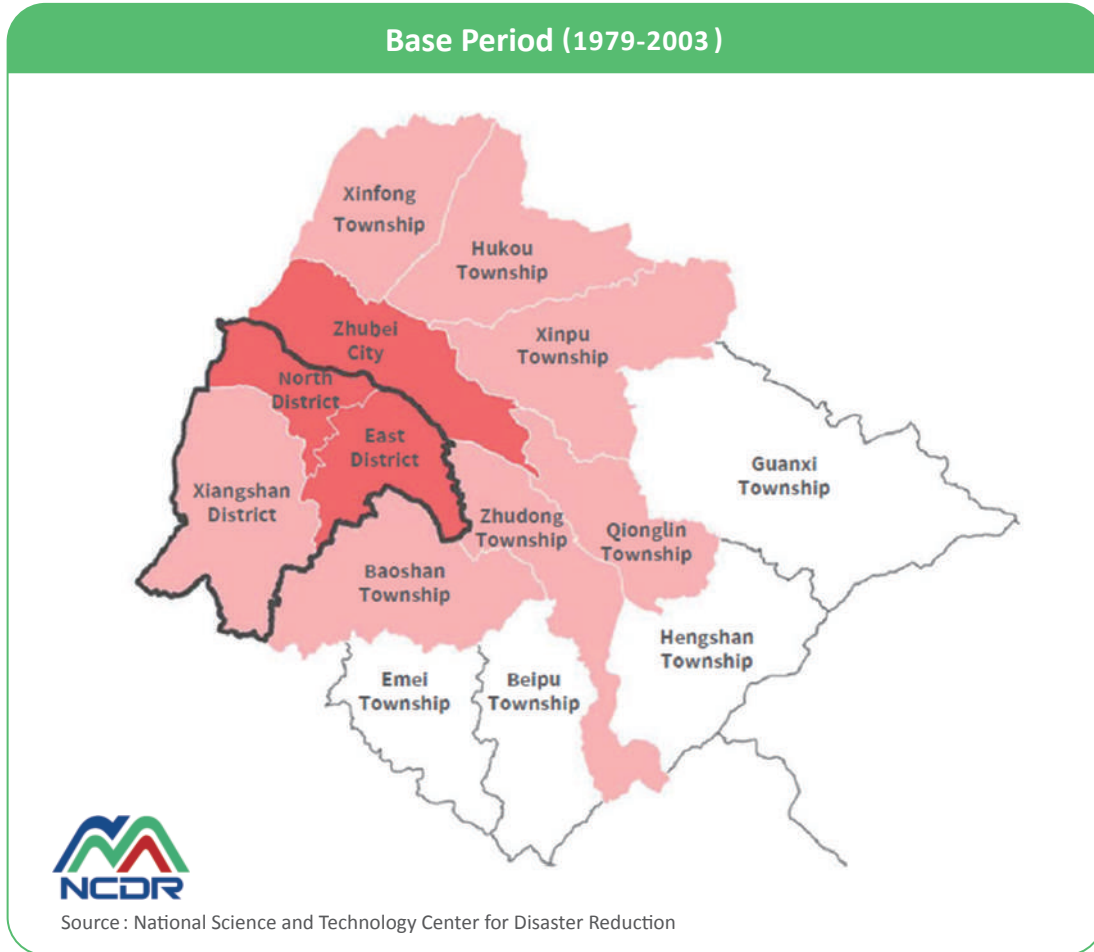
Adaptation plans for specific assets or plants:

For newly constructed operating locations, we analyzed the 24-hour rainfall flooding potential for the local 100-year return period. Appropriate drainage and flood prevention facilities are reviewed and emergency response plans (including typhoon flooding protection plant) are formulated to target different disasters (including typhoons and flooding) so that we can mitigate impacts from potential flooding in the next century. Design wise, we 1. Installed plant trenches, water permeable surfaces, and other low water impact facilities to reduce water flow during rainstorms. 2. Installed reasonable rain drainage pipe diameters and drainage gradients according to calculations of the 24-hour rainwater flooding potential during the 100-year return period to prevent ground flooding at the foundation. 3. Increased the height of foundations and the first floors to prevent flood water filling the foundation.

Emergency response measures:

- (1) Made plans to install rainwater collection pools & recycling systems to manage and reuse rainwater.
- (2) Installed flood gates (panels) to prevent water flooding underground spaces.
- (3) Stipulated the water pumping plan to ensure sufficient water pumps for draining floodwater during continuous rainstorms.

• Hsinchu Plant's (in east district of Hsinchu City) Flood Risk Map Under Climate Change



3.2.3 Identification of Climate Risks and Opportunities

Climate risks and opportunities have been integrated into Wistron's enterprise risk management (Enterprise Risk Management, ERM) plans, and we use ERM survey results to help us identify material risks requiring management, which will include measures like verifying whether risks can be averted (where applicable) or controlling risks with mitigation measures.

The Company has adopted the TCFD framework and referenced the risk items in the CDP climate change and water security questionnaires. Each year, across the world, Wistron identifies plant-specific transition risks and physical risks based on the plant's location. All results are compiled by HQ for an assessment of scale and scope of the impact across the world; HQ then establishes related strategies and responds accordingly.

The Company has adopted the ERM risk management procedures and uses a risk map to evaluate the possibility of various potential and emerging risks and the extent of their damage. For the period between 2021 and the end of this century, we've analyzed how various short, medium and long-term risks (short-term: 1-3 years, medium-term: 3-5 years, long-term: 5-10 years) will pose potential threats to our Company's future operations (including Wistron & value chain) based on factors such as the useful life of assets, potential climate risks, our industry, and regions with a Wistron presence. Through this, we are able to rate and prioritize risks and opportunities as well as compile a risk and opportunity matrix map.

We use likelihood and level of impact to risks and opportunities, classifying them into low, medium, and high risk levels. There are five levels of impact (extremely minor, minor, moderate, severe, and extremely severe) which is based on the amount of monetary losses. Risks classified as high or moderate are listed as main risks for which preventive measures and improvement plans must be established.

Climate Risk included in Risk Assessment

● Current Regulation

● Emerging Regulation

● Technology Risk

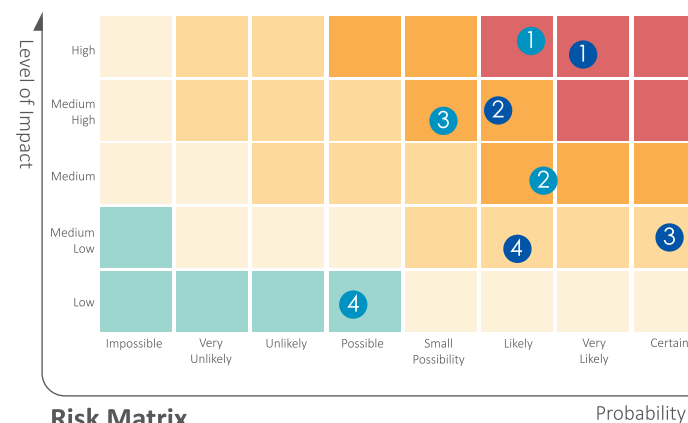
● Legal Risk

● Market Risk

● Reputational Risk

● Acute Physical Risk

● Chronic Physical Risk



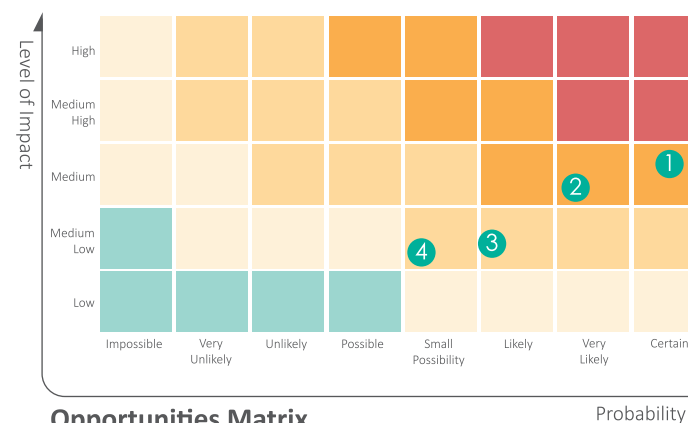
Transition Risks

- 1 Development of renewable energy regulations
- 2 Demand for low-carbon products and services
- 3 Mandatory filing
- 4 Investment in new technology

Physical Risks

- 1 Typhoons (acute)
- 2 Floods (acute)
- 3 Uncertainties in physical risks
- 4 Rise in average temperature (chronic)

Risk Matrix



Climate Change Opportunities

- 1 Seek new business opportunities
- 2 Energy-saving buildings
- 3 Low-carbon energy
- 4 Energy efficiency improvement

Opportunities Matrix

• Climate Change Financial Impact Analysis (Risks)

Climate Change Risks	Financial Impacts	Response Measures
The demand for renewable energy and the development of climate risk regulations.	Increased operating costs. (such as increased regulatory compliance costs, expenditures related to renewable energy, or management fees). Considering factors such as business expansion, assuming a 5% annual growth rate in the group's carbon emissions (Scope 1 and Scope 2) based on location-based emissions, and with no other means of carbon offset, the estimated annual carbon cost under this stringent scenario due to carbon fee regulations is as follows: 1.Appx. \$36-45 million USD in 2030 (based on IEA 2° C scenario). 2.Appx. \$40-55 million USD in 2030 (based on IEA below 2° C scenario). 3.Appx. \$67-89 million USD in 2040 (based on IEA below 2° C scenario). 4.Appx. \$190-240 million USD in 2050 (based on IEA NZE scenario).	We evaluated the global market and sourced renewable energy through diverse approaches to achieve energy transformation and green manufacturing. In 2023, over 190 million kWh of renewable energy certificates were purchased, and approximately 46.593 million kWh of green electricity was procured through Power Purchase Agreements (PPA) and other means. Additionally, solar panels installed at various sites generated approximately 15.505 million kWh for self-use. This achieved the annual target of 66.47% green electricity share for 2023. A long-term goal has been set to gradually increase the proportion of renewable energy used to 100%.
Growing demand for low-carbon products and services	Increased expenses for product development, certification, and procurement.	<ul style="list-style-type: none"> Help customers obtain various environmental protection labels such as Energy Star, EPEAT, TCO, Taiwan Green Mark, and China Environmental Labelling. In 2023, we helped our clients secure Energy Star certification for major hardware products such as laptops, desktops, all-in-one computers, monitors, servers, and network phones; certified products accounted for 82.2% of hardware revenue. Major hardware products certified with EPEAT, TCO, Taiwan Eco-label, and China Environmental Label accounted for 86.4% of hardware revenue. All product lines meet 100% of customer requirements and comply with local environmental regulations, energy efficiency labels, and safety certification requirements. Establish a sustainable supply chain management to ensure the transparency of the carbon footprint of products or services and implement reduction measures.
Mandatory carbon reporting	Increased operating costs	Establishing a comprehensive greenhouse gas emissions inventory and inventory system across global manufacturing sites, utilizing a methodology that allows annual greenhouse gas audits verified by independent third parties.
Demand for new low-carbon technologies	Increased operating costs (such as higher R&D expenses or patent fees)	<ul style="list-style-type: none"> Foster an innovative culture within the organization and continuously optimize patent and technology portfolios to enhance competitiveness. Continuously improve the ratio of R&D personnel to total employees, reaching 13.9% in 2023. Obtained 383 certified patents and 43 green product patents in 2023. Since 2022, Wistron has been recognized for three consecutive years as one of the Top 100 Global Innovators™ by Clarivate and is also listed as one of the top 20 sustainable innovation companies in Taiwan by LexisNexis.
Drought	Loss of operating revenue from impacts on manufacturing. Under the premise that Wistron does not transition production capacity, operating losses from interrupted production caused by severe droughts will be around NT\$1.8-3billion (RCP 8.5)	We strengthened rainwater recycling system and water monitoring system for new plants and collaborate with local water suppliers for existing plants to leverage special water supply mechanisms during droughts and maintain plant operations. We continued to increase the water recycling rate and stipulate short-, mid-, and long-term targets for annual performance evaluation to improve our overall operating resilience.
Typhoons	Impact on production and loss of operating revenue	In the event of a typhoon, the Company monitors alerts and related information on whether we should continue or suspend work. If work is not suspended, the Company provides vehicles, transportation subsidies, or other necessary assistance to ensure the safety of employees.
Floods	Impact on production and loss of operating revenue	We elevated foundations and improved drainage facilities for existing plants during construction to prevent losses caused by disasters. We included "natural disaster assessment" items in the location selection process for new sites and plan flood prevention facilities to improve the disaster resilience of operating locations.
Uncertainty from climate-related physical risks	Increased operating costs and impact on operating revenue	<ul style="list-style-type: none"> To support the Paris Agreement's call to address global warming challenges, for many years, Wistron has followed the SBT 1.5°C decarbonization methodology and set annual absolute greenhouse gas reduction targets since 2020 to move towards the long-term goal of carbon neutrality. In 2023, total greenhouse gas (Scope 1+2) emissions decreased by 15% (Absolute reduction) compared to the previous year (market-based).
Rise in average temperature	Increased operating costs (e.g., increase in water and electricity fees)	Wistron's energy-saving project is divided into six categories, including air conditioning systems, compressed air systems, green lighting, management, production, and others. In 2023, a total electricity savings of approximately 17.92 million kWh resulted in a reduction of approximately 11,564 metric tons of carbon emissions. While actively reducing operational costs, resources are being allocated to lower the carbon footprint of operational activities.

• Climate Change Financial Impact Analysis (Opportunities)

Climate Change Opportunities	Financial Impacts	Response Measures
New business opportunities in the low-carbon economy	Increased revenue from green products	<ul style="list-style-type: none"> Products are developed with green design thinking to avoid the use of harmful substances and reduce energy consumption during the manufacturing and use stages. In 2023, all product lines were 100% compliant with the Waste Electrical and Electronic Equipment Directive (WEEE). In 2023, Wistron's products that comply with the Energy Star standards accounted for 82.2% of the hardware revenue. This resulted in an annual energy savings of 566,650,989 kWh and a reduction of 280,492,240 kgCO₂e. Taking into account the product lifespan, the energy-saving benefits of the products amounted to 3,494,733,174 kWh, and a reduction of 1,729,892,921 kgCO₂e. Wistron is developing the Recycling BG, focusing on electronic product recycling and the refining of recycled plastics. We are actively building a viable circular economy model. In 2023, Wistron shipped a total of 18,035t of post-consumer-recycled (PCR) eco-friendly materials. Utilizing electronic waste for raw material recovery amounted to 9,417t. The carbon reduction benefits were equal to a decrease in emissions of approximately 42,656 tCO₂e. Wistron's hardware products that incorporated PCR recycled plastics accounted for 84.51% of the hardware product revenue, which marks a growth of 4.2% compared to the previous year.
Energy conservation and carbon reduction plan	Reduced operating costs	<ul style="list-style-type: none"> Global factories are implementing various types of energy-saving and carbon reduction projects according to local conditions to reduce operating costs. From the base year (2019), the Hsinchu Plant has achieved a 26.8% reduction in carbon intensity of its revenues and a 36% reduction in carbon intensity of its production capacity. These significant carbon reduction achievements earned Wistron the factory the 2023 Science Park Carbon Reduction Excellence Award from the National Science and Technology Council.
Low-carbon manufacturing	Continuously increasing the proportion of renewable energy use to avoid carbon taxes and meet customer demand	In 2023, the purchase of renewable energy certificates exceeded 190 MktWh. In addition, we actively expanded our solar power generation capabilities in plants, resulting in a green energy penetration rate over 60%. The goal is to progressively increase the renewable energy use each year, with the ultimate aim of reaching 100%.
	Increased revenue	We continue to increase the proportion of renewable energy production lines to 100% in our global operating sites by purchasing green energy certificates, directly purchasing green energy, installing renewable energy equipment and other measures to meet the market's demand for low-carbon manufacturing
Energy efficiency improvement	Reduced energy costs	The Company has established an energy project team which regularly inspects energy management conditions in plants and the results of energy conservation projects and shares the experience. Wistron's energy conservation efforts encompass six major categories including the air conditioning system, air compressor system, green lighting, management, production, and others. In 2023, a total electricity savings of approximately 17.92 million kWh led to a reduction of about 11,564 metric tons of carbon emissions. The carbon intensity of revenue per unit in 2023 was 0.13 (thousand metric tons of CO ₂ e per billion New Taiwan Dollars), indicating a 13% decrease in energy carbon intensity performance compared to the previous year.



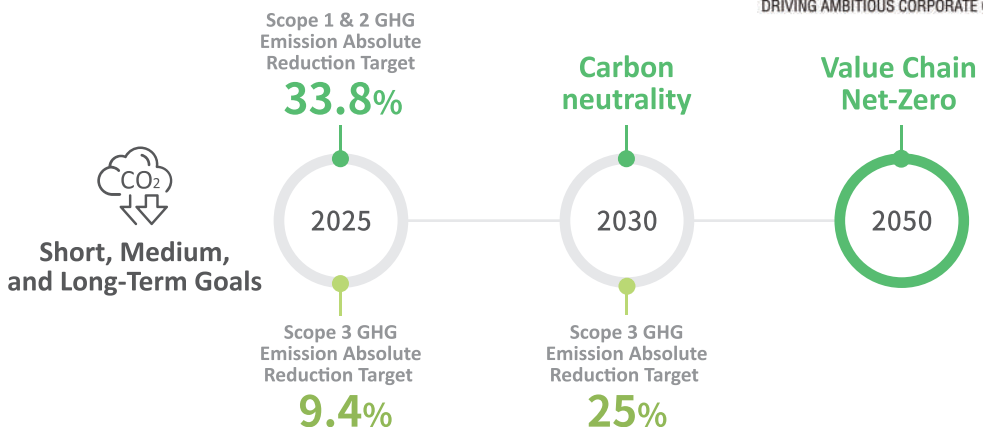
3.2.4 Climate Goals

Science-based targets, SBT

Wistron voluntarily joined the Science-Based Targets initiative (SBTi) in 2020 and committed to a carbon reduction target of achieving a 37.8% absolute reduction in greenhouse gas emissions (based on 2016 levels) by 2025. However, by significantly increasing our utilization of renewable energy, we managed to achieve a carbon reduction rate of 66.7% in 2022, surpassing our original target. As a result, in 2022, we further aligned with SBTi's Net-Zero Standard and established goals that are in line with the 1.5°C reduction pathway set by the Paris Agreement. This pathway seeks to limit global warming to a maximum of 1.5°C above pre-industrial levels. These goals were subsequently validated by SBTi in April 2024.

We commit to achieving operational carbon neutrality for Wistron by 2030 and net-zero greenhouse gas emissions across our value chain by 2050.

- Short-term target: Wistron commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2030 from a 2022 base year. Wistron also commits to reduce absolute scope 3 GHG emissions from purchased goods and services and use of sold products 25% within the same timeframe.
- Long-term target: Wistron commits to maintain at least 90% absolute scope 1 and 2 GHG emission reductions from 2030 through 2050 from a 2022 base year. Wistron also commits to reduce absolute scope 3 GHG emissions 90% by 2050 from a 2022 base year.



Progress on Climate Action

Through the establishment of SBT, we demonstrate our concern and commitment to addressing global climate change issues and transitioning towards a low-carbon economy. Our approach to decarbonization management aligns with the 1.5 °C emission reduction pathway, which prioritizes reducing direct emissions and emissions from purchased energy. We achieve this by taking actions such as increasing the use of renewable energy, improving energy efficiency, developing low-carbon products, and implementing internal carbon pricing mechanisms. Additionally, any remaining emissions will be neutralized in accordance with SBTi criteria before reaching net-zero emissions.

In 2023, Wistron's global locations emitted a total of 87,862.74 metric tons of CO₂e in direct and energy indirect (market-based) greenhouse gas emissions. This represents a decrease of 14.84% compared to the base year. The primary reasons for this reduction include the continuous implementation of self-initiated energy-saving projects and increasing the proportion of renewable energy across our global facilities. We have achieved this by installing solar power generation equipment within our factories, signing agreements for direct purchase of renewable energy, and procuring renewable energy certificates, among other measures, to actively utilize renewable energy. The total emissions in Scope 3, primarily driven by the emissions from purchased goods and services, decreased by approximately 29% compared to the base year. This reduction can be attributed to adjustments made in the product configurations for shipment to align with customer market demands, thereby impacting our procurement portfolio.

While driving the low-carbon transition, we collaborate with customers and suppliers in various aspects such as knowledge sharing, carbon footprint assessments, and carbon reduction projects to collectively promote the entire value chain towards achieving net-zero emissions. Additionally, we have started engaging in Beyond Value Chain Mitigation (BVCM) activities, such as developing forest management projects. Through direct investment or market purchases, we aim to acquire carbon credits recognized by SBTi. We will also evaluate the potential of investing in carbon removal technologies to offset any remaining emissions that cannot be reduced, ultimately supporting our net-zero vision.



3.3 Greenhouse Gas Emissions and Energy Management

3.3.1 Energy Usage

Electricity constitutes the majority of Wistron’s energy consumption, with minimal fossil fuel use accounting for the remaining energy usage. Therefore, increasing energy efficiency and renewable energy ratio has become important energy management strategies at Wistron. As such, we introduced the ISO 50001 Energy Management System to ensure systematic management of energy. With our effective management system and real-time energy dashboard, Wistron works to identify and analyze energy-intensive hotspots, using results to develop energy projects. We regularly convene energy project meetings and follows up on related progress and results. We seek to continue to improve energy efficiency through the exchange of information between plants.

• Energy Usage

Energy	Unit	2020	2021	2022	2023
Electricity	Self-generation and self-consumption of renewable energy (kWh)	2,393,900.79	6,889,549.45	9,283,177.44	15,505,112.16
	(GJ)	8,618.04	24,802.38	33,419.44	55,818.40
	Purchased renewable energy (kWh)	188,690,000.00	202,817,000.00	251,871,000.00	236,868,574.36
	(GJ)	679,284.00	730,141.20	906,735.60	852,726.87
Purchased non-renewable energy	(kWh)	284,263,177.75	187,514,768.52	139,036,892.46	127,282,175.10
	(GJ)	1,023,347.44	675,053.17	500,532.81	458,215.83
Heating	(kWh)	920,347.22	1,299,377.78	1,065,600.00	1,009,519.47
	(GJ)	3,313.25	4,677.76	3,836.16	3,634.27
Diesel	(kWh)	155,102.78	1,174,909.65	3,513,601.27	682,250.29
	(GJ)	558.37	4,229.67	12,648.96	2,456.10
Gasoline	(kWh)	3,826,211.35	3,315,532.56	2,857,433.43	2,150,481.66
	(GJ)	13,774.36	11,935.92	10,286.76	7,741.73
Natural gas	(kWh)	34,838,471.71	29,994,111.16	29,949,755.08	19,035,761.80
	(GJ)	125,418.50	107,978.80	107,819.12	68,528.74
Liquefied petroleum gas	(kWh)	502,668.73	529,856.82	-	-
	(GJ)	1,809.61	1,907.48	-	-
Cooling	(kWh)	-	-	3,436,463.37	1,613,091.74
	(GJ)	-	-	12,371.27	5,807.13
Total non-renewable energy consumption	(MWh)	324,505.98	223,828.56	179,859.75	151,773.28
Total renewable energy consumption	(MWh)	191,083.90	209,706.55	261,154.18	252,373.69
Percentage of renewable energy in total energy consumption	%	37.06	48.37	59.22	62.45

• Energy Performance Indicators

Performance Indicators	Unit	2020	2021	2022	2023
Electricity consumption per unit revenue	MWh/NT\$1B	722.23	616.11	587.06	574.31
Percentage of renewable energy in electricity consumption	%	40.20	52.79	65.26	66.47

Note 1: Includes electricity consumption and revenue of major Wistron plants around the world
 Note 2: Percentage of renewable energy in electricity consumption: (Self-generation and self-consumption of renewable energy + Purchased renewable energy) / total electricity consumption
 Note 3: Energy consumption outside of the organization (S3): 158,262.66 (G)
 Note 4: According to operational control approach, the data of subsidiary companies with an equity ownership of less than 50% is excluded.

Spotlight

Wistron was invited by World Business Council For Sustainable Development (WBCSD) to share its result in promoting smart manufacturing as well as energy conservation management in a case study to be included in The Climate Drive (Enterprise Climate Action Knowledge Platform) by WBCSD. This, as a milestone for the company's carbon reduction experience sharing, has cemented Wistron's status as a member of the global carbon reduction community!

Wistron's Zhongshan Plant was recognized as a Global Lighthouse and showcased its air compressor group control system on the Climate Drive platform at COP 28 as part of its sustainability efforts. Diagnostics and analyses have identified air conditioning and air compressors as major energy consumers. For instance, the Zhongshan Plant has implemented an AIOT-based predictive and group control system for air compressors, which automatically adjusts based on pressure. This smart management system optimizes air conditioning and compressor usage, reduces manual operation time, and enhances the efficiency of the equipment units. The case study of Zhongshan Plant, featured on the Climate Drive Enterprise Climate Action Knowledge Platform, used 2018 as the base year. The plant achieved a 41% reduction in power consumption per equipment unit and a 36% decrease in carbon emissions. In the future, Wistron will be committed to more decarbonization-targeted issues and showcase its ambition for decarbonization and sustainability with actual results.



AI Energy efficiency

Use an AI air compressor system to reduce energy consumption

APPLIED BY
 Wistron Corporation

36%
 reduction in carbon emissions since 2021

41%
 reduction in power consumption per finished good

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3.3.2 Greenhouse Gas Emissions

With challenges posed by global climate change, enterprises must reduce greenhouse gas emissions from operations to mitigate their negative impacts on the climate. Suppose Scope 1, 2, and 3 emissions continue to increase annually, in that case, our company may face rising carbon fee (tax) costs or could potentially suffer from the inability to meet customer (market) demands, and failure to comply with our publicly committed carbon reduction targets, among other regulatory, reputational, and market risks. As a comprehensive technology service provider in the ICT industry, offering customized product development and services to global clients, our capability for low-carbon manufacturing and green product services will directly impact our market competitiveness. Therefore, we conduct annual carbon inventories and formulate short-, medium-, and long-term carbon reduction plans to meet the expectations of our broad range of stakeholders.

Since 2010, Wistron has gradually built up its greenhouse gas inventory capabilities and disclosed greenhouse gas emissions. The Taiwan parent company and global manufacturing sites complete ISO 14064-1 verification annually. We are also gradually expanding the verification scope to cover service locations and subsidiaries. We aim to achieve 100% verification of greenhouse gas emission data for individual companies within the group and subsidiaries included in the consolidated financial statements by 2024.

Scope 1 and Scope 2 Greenhouse Gas Emissions

• Greenhouse Gas Emissions (tCO₂e)

Scope Category	2020	2021	2022	2023	
Scope 1	Stationary combustion	6,993.68	5,777.74	6,906.61	3,898.56
	Mobile combustion	1,075.48	861.94	711.85	554.70
	Processes emissions	4.75	57.80	21.00	0
	Fugitive emissions	15,375.89	13,375.41	10,768.52	10,924.75
Subtotal	23,449.79	20,072.89	18,407.97	15,378.01	
Scope 2	Location-based	357,010.93	287,909.87	287,251.13	246,984.18
	Market-based	206,972.43	125,696.18	84,764.43	72,484.73
Scope 1 + 2	Location-based	380,460.73	307,982.76	305,659.10	262,362.19
	Market-based	230,422.23	145,769.07	103,172.40	87,862.74

Note 1: The electricity emission coefficients cited include the electricity emission coefficient of 0.495 kgCO₂e/kWh for Taiwan in 2022. The emission coefficients of Mainland China's regional power grid in 2021 were 0.7777 kgCO₂e/kWh in Eastern China, 0.7938 kgCO₂e/kWh in Central China, and 0.7722 kgCO₂e/kWh in Southern China; The electricity emission coefficient of 0.413 kgCO₂e/kWh for Czech in 2022; The electricity emission coefficient of 0.435 kgCO₂e/kWh for Mexico in 2022; The electricity emission coefficient of 0.78 kgCO₂e/kWh for Malaysia in 2019; The electricity emission coefficient of 0.7221 kgCO₂e/kWh for Malaysia in 2021.

Note 2: According to operational control approach, the data of subsidiary companies with an equity ownership of less than 50% is excluded.

Note 3: Wistron has no direct emissions and removal-related emissions from Land Use, Land Use Change and Forestry, LULUCF.

• Scope 1 + 2 Greenhouse Gases (tCO₂e)

Type	2020	2021	2022	2023
CO ₂	365,036.32	294,470.89	294,864.04	251,426.33
CH ₄	13,088.97	9,023.87	7,726.00	5,266.48
N ₂ O	36.76	50.43	26.70	18.86
NF ₃	0	0	0	0
HFC	2,298.68	4,437.57	3,042.36	5,650.52
PFC	0	0	0	0
SF ₆	0	0	0	0
Total	380,460.73	307,982.76	305,659.10	262,362.19

• Greenhouse Gas Emissions Performance Indicators (kilotons of CO₂e / NT\$1B)

Performance Indicators	2020	2021	2022	2023	
Emissions per unit-revenue	Location-based	0.58	0.48	0.45	0.40
	Market-based	0.35	0.23	0.15	0.13

Note 1: Greenhouse gas emission intensity and target: Includes greenhouse gas emissions and revenue of major Wistron plants, around the world

Note 2: Includes only Scope 1 and Scope 2 greenhouse gas emissions

Scope 3 Greenhouse Gas Emissions

Wistron has initiated a comprehensive inventory and assessment of Scope 3 emissions to understand emission from our own operations and various activities between the upstream and downstream. This also provides opportunities for Wistron to engage with suppliers and customers for a full inventory and assessment for Scope 3 emissions. The results of the inventory indicate that hotspots in the upstream is centralized in purchasing products and services, while the downstream is investment behaviors.

Wistron has used the Scope 3 inventory to strengthen supply chain management for new opportunities to develop lower carbon electronic parts with our suppliers. As for the energy use of downstream customers' products, we will also strengthen the energy efficiency of products with customers. This means that Wistron can work with the upstream and downstream together to reduce greenhouse gas emissions and expand the influence of our climate strategies to ultimately achieve our vision of building a low-carbon supply chain.

• Scope 3 Greenhouse Gas Emissions (tCO₂e)

Scope 3 Emission Sources	2020	2021	2022	2023
Purchased products and services	-	14,049,499.30	8,481,121.25	6,159,131.36
Capital products	-	142,632.13	188,089.07	117,910.07
Fuel- and energy-related activities	-	76,107.22	110,060.82	23,725.74
Upstream transportation and distribution	8,544.14	21,134.68	4,483.60	5,318.92
Waste generated in operations	-	4,215.71	4,960.22	2,994.69
Business travel	1,000.76	1,027.22	3,696.16	5,773.32
Employee commuting	-	18,156.21	24,917.29	21,865.61
Upstream leased assets	-	5,666.65	11,695.49	7,687.32
Downstream transportation and distribution	111,455.11	278,700.73	97,348.43	100,163.21
Processing of sold products	-	-	-	-
Use of sold products	-	-	-	-
End-of-life treatment of sold products	-	-	-	-
Downstream leased assets	1.47	20,206.67	25,664.55	23,900.20
Franchises	-	-	-	-
Investment	572.64	1,524,232.97	2,155,739.95	1,432,619.42
Total	121,574.12	16,141,579.49	11,107,776.83	7,901,089.85

Note 1: Wistron has no control or rights over the categories of product processing, use, and disposal. Thus, this was not included in the scope of the investigation and disclosure.
 Note 2: As B2B company with no franchise-related activities, we did not conduct any investigations or disclosures.



3.3.3 Reduction Actions and Results

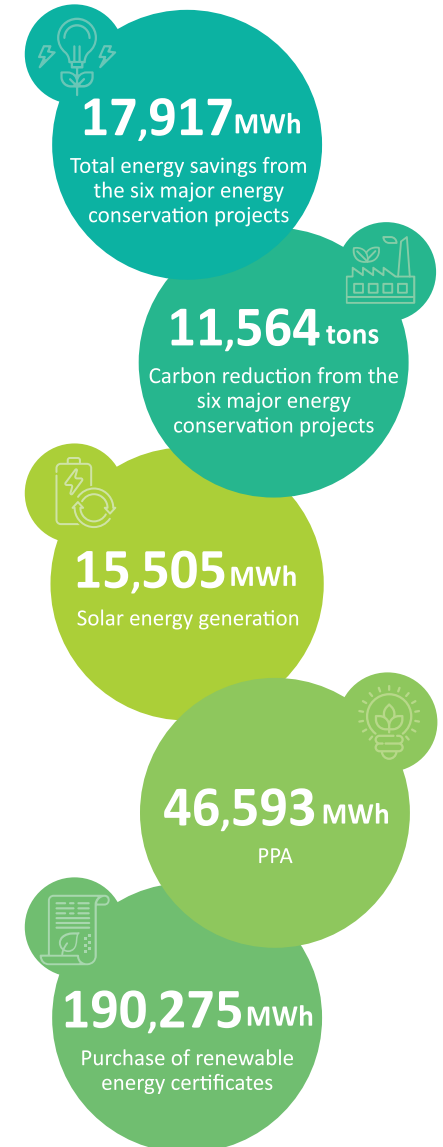
Wistron’s two main reduction pathways are “increase energy efficiency” and “energy transition.” For the roll out of energy management and energy conservation projects, Wistron assembled Energy Project Teams in all plants; the teams are composed of units responsible for plant engineering affairs or related matters. They convene regular energy management meetings and review the plant’s energy and project progress. The plants also share information on the effectiveness and their experiences in each project with each other.

Increase Energy Efficiency

Wistron’s energy conservation efforts target six major categories: air conditioning system, air compressor system, green lighting, management, production, and others. As of the end of 2023, the Company saved a total of 17,917.17 MWh of electricity, which reduced carbon emissions by 11,564.16 tCO₂e. Our carbon reduction was equivalent to the annual CO₂ absorption volume of 29 Daan Forest Parks, which can absorb 389 tons of carbon annually.

• 2023 Achievements in Energy Conservation

Item	Target Area	Main Project(s)	Annual Energy Savings (MWh)	Annual Energy Savings (GJ)	Carbon reduction (tCO ₂ e)
1	Air conditioning (A.C.) system	A.C. system upgrades for energy efficiency Energy conservation management	6,051.26	21,784.54	4,162.78
2	Air compression system	Replacement of old equipment Air compression system upgrades for energy efficiency	5,050.39	18,181.41	3,035.25
3	Manufacturing	Optimal Nitrogen system	3,572.17	12,859.82	2,173.20
4	Management	Idle Optimization and Integration	1,766.39	6,359.00	1,365.93
5	Green lighting	Intelligent lighting system (more energy-saving LED lamps)	1,170.92	4,215.32	593.98
6	Others	Reduction of inefficient power consumption	306.03	1,101.71	233.02
Subtotal			17,917.17	64,501.81	11,564.16



Energy Transition

Extreme weather has become the new norm. Major international companies have joined the 100% renewable energy, RE100, initiative to support the use of renewable energy to reduce carbon emissions and slow down global warming. In response to the global trend of renewable energy, Wistron is actively promoting energy transformation. The renewable energy strategy prioritizes the establishment of self-consumption solar power generation, actively expanding solar power generation capacity at global operational sites, and making diversified use of idle spaces. The company also maintains deep partnerships with local renewable energy providers and has signed renewable energy purchase agreements and procured renewable energy certificates. In 2023, Wistron actively deployed renewable energy, with an actual self-consumption power generation of 15,505 MWh. The company also had a total of 46,593 MWh of renewable energy purchased through agreements and procured 190,275MWh of renewable energy certificates. The renewable energy accounted for 66.47% of the total electricity in 2023, actively increasing the usage rate of renewable energy in global factories while reducing greenhouse gas emissions (market base). The company aims to integrate the concept of green manufacturing into its business operations.

Recognition in Decarbonization

Spotlight

Spotlight: Wistron's Hsinchu Plant Awarded with the Hsinchu Science Park's Award of Excellence in Carbon Reduction

The Hsinchu Plant won the 2023 Award of Excellence in Carbon Reduction at the Hsinchu Science Park, an event organized by the National Science and Technology Council.

Action: Hsinchu Plant actively promotes its ESG strategy and engages in low-carbon and smart manufacturing to achieve its carbon neutrality goals.

- 1.Promotes green manufacturing and circular economy.
- 2.Improves energy efficiency and increases renewable energy ratio.
- 3.Optimizes manufacturing by introducing AI technologies.

Results: Compared to the base year of 2019, the plant's carbon intensity per revenue dropped by 26.8%, and carbon intensity per capacity dropped by 36%.



Green Building

Spotlight

Spotlight: Vietnam Plant Awarded the LEED Building Silver Certification

Wistron, based on its vision of Sustainability through Innovation", expands its global business while fulfilling its environmental responsibilities by building green factories that are energy/water-saving and environmentally friendly. Our Vietnam plant was awarded the LEED v4 Building Design and Construction: New Construction and Major Renovation Silver certification by the US Green Building Council (USGBC) in June, 2022. With a total area of approximately 214,000 square meters, the Vietnam Plant was designed as a green building from the beginning with various environmentally friendly and energy-conserving designs. Regarding energy conservation, the plant has put in a place a comprehensive power consumption monitoring system and uses only environmentally friendly refrigerant. The workers have also established and followed their habits of energy conservation. Compared to LEED's ASHRAE 90.1 2010 baseline of annual energy consumption, the plant's total energy consumption reduced by 23.8%. Regarding renewable energy, the plant has installed approximately 24,000 m² of solar panels on the rooftop. In 2023, the solar panels generated a total of 3,608,511 kWh, accounting for 16.24% of the entire plant's total power consumption. Additionally, the plant also plans on installing EV charging infrastructure in response to the green transportation trend; regarding water conservation, the plant has also put in place a comprehensive water use monitoring system and adopts water-saving measures throughout the plant. It also recycles rainwater for irrigation, saving 100% of irrigation water. Compared to the baseline of LEED, the plant has reduced its water consumption by 53%. Wistron utilizes green building evaluation indicators when making decisions on new plants, which allows the company to protect the environment and ensure energy/resource efficiency to showcase the company's ambition for sustainability.

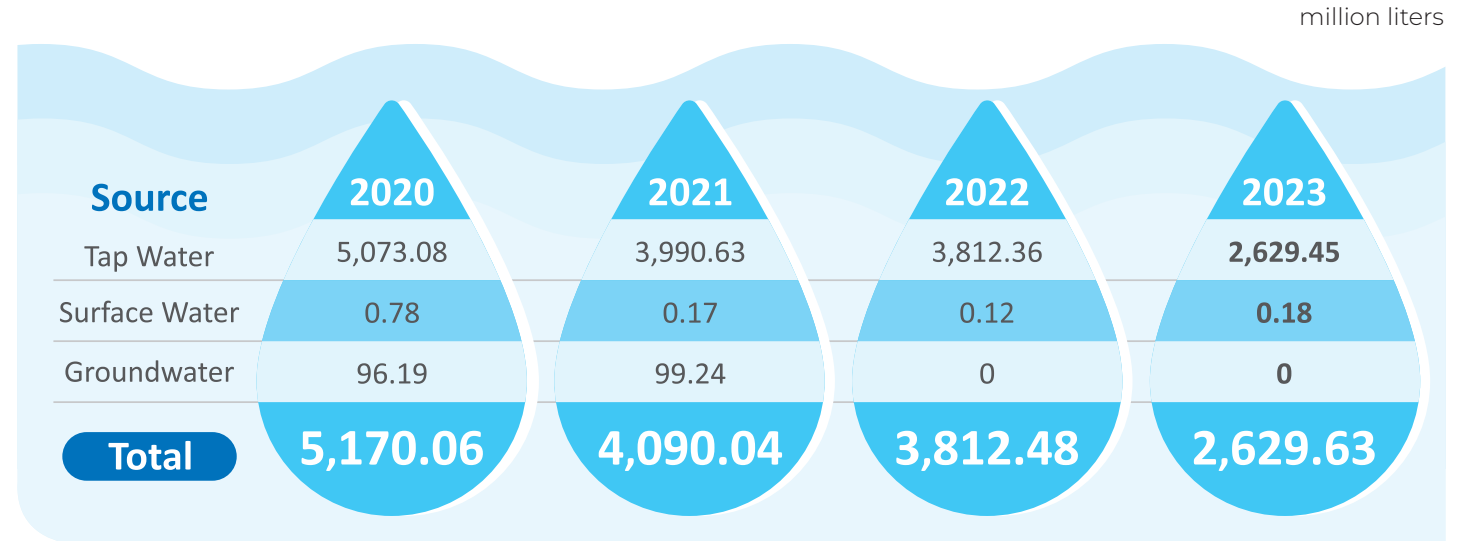


3.4 Mitigation of Environmental Impacts

3.4.1 Water Resource Management

Wistron's production processes mainly consist of product assembly which does not require a significant amount of water. Most of our water demand derives from domestic use and plant equipment such as kitchens and cooling towers. Our evaluations confirm that our source of water for plants and offices is tap water, which amounts to not obvious environmental impact on water resources and the ecological environment of water sources. Nevertheless, Wistron still actively collects water consumption data and regularly monitors water quality and consumption conditions. We organize water conservation campaigns from time to time for the purpose of protecting water resources.

Wistron's management of water resources can be divided into "water resource management and daily water conservation" and "water recycling and wastewater management." We took stock of high-risk areas for water resources based on an evaluation of the water stress indicators of our global operations. We then implement preventive measures based on the water resource management strategy. Dedicated units in different plants are responsible for water resource management, plan formulation and implementation, regular monitoring, resolution of irregularities, data analysis, and continuous improvements. Wistron is committed to rigorous compliance with national water regulations, reasonable water use, giving priority to water-efficient equipment, and using energy-efficient panels to monitor water consumption and improve water use efficiency. Wistron's water target in 2023 is to reduce water consumption intensity by 11% from 2016 and set more ambitious goals for 2030, and 2035 while continuing to track and disclose the water conservation outcomes each year.



Performance Indicators	Unit	2020	2021	2022	2023
Water usage per unit-revenue	kilotons of water/NT\$1B	7.9	6.3	5.6	4.0
Water recycling rate	Percentage (%)	12.76	8.93	7.65	6.27

Note 1: Water consumption intensity: Includes water consumption and revenue of major Wistron plants around the world

Note 2: Water intensity in 2016 was 6.7 kilotons/ NT\$1B

Water Stress Index

We use WRI Aqueduct tools to analyze water stress index of Wistron locations around the world, evaluating the risk ratings of water resources to set up management and recycling equipment in advance. In addition, we disclose water sources, water bodies receiving the effluent, wastewater treatment unit, and water quality data to ensure compliance with local effluent quality standards.

• Water Stress Index

Item	Neihu HQ & Xizhi Office	Hsinchu Plant	Kunshan Plant	Kunshan Opt Plant	Zhongshan Plant	Chengdu Plant	Chongqing Plant	Mexico Plant	Czechia Plant	Malaysia Plant	Vietnam Plant	Kaohsiung Opto-Electronics Inc.
Water stress index	Medium low	Medium low	High	High	Medium high	High	Medium low	Medium high	Medium low	Medium low	Medium low	Medium low
Water source	Feitsui Reservoir Xinshan Reservoir	Baoshan Reservoir	Water drawn from the Yangtze River	Water drawn from the Yangtze River	Xijiang River	Min River	Jialing River	Hueco Bolson Aquifer Mesilla/Conejos-Medanos Basin	Vir Reservoir	Sg. Selangor / Sg. Langat river basins	SONG HONG River	Donggang River
Water body receiving effluent	Keelung River Tamsui River	Keya Creek	Wusong River	Wusong River	Shiqi River Hengmen Waterway	Qinglan River	Houhe River	Use in agricultural irrigation	SVRATKA River	Klang River	CHAU GIANG River	Taiwan Strait
Wastewater treatment unit	Neihu Sewage Treatment Plant Dihua Sewage Treatment Plant	Hsinchu Science Park Sewage Treatment Plant	Kunshan Development Zone Kuncheng Precision Water Purification Co., Ltd.	Precision Machinery Industrial Park Sewage Treatment Plant	Zhenjiashan Sewage Treatment Plant Linhai Industrial Park Wastewater Treatment Plant	Southwest Airport Industrial Development Zone Phase 6 Sewage Treatment Plant	Yubei District Chengbei Wastewater Treatment Plant	Valle de Juarez water treatment plant	Brno water and sewerage plant	Indah Water Konsortium Sewage Treatment Plant	DUCAN Company	Zhongzhou Wastewater Treatment Plant
Effluent Standards	pH	6~9	5~9	6.5~9.5	6.5~9.5	6~9	6~9	6~9	6~9	5.5~9	5.5~ 9	5~9
	SS (mg/l)	30~50	300	400	400	400	400	400	180	550	100	450
	COD (mg/l)	100~150	500	500	500	500	500	500	220	1200	200	600

Note 1: The water stress indicator is calculated based on Aqueduct tools: <https://www.wri.org/aqueduct>
 Note 2: Effluent quality is taken from the local regulations of each plant.

Wastewater Management

Product assembly accounts for the majority of Wistron’s manufacturing activities, and most processes do not require water or produce wastewater. The following details wastewater treatment in relevant manufacturing plants:

- Kunshan Opt Plant consume water and have an in-house wastewater treatment station that is monitored online in real-time to enable immediate response to any anomalies.
- Industrial wastewater from the Zhongshan Opt Park is treated directly by a third-party wastewater treatment company.
- Kaohsiung Opto-Electronics Inc. separates process wastewater into non-chemical reusable wastewater and chemical-containing production wastewater. The non-chemical wastewater is discharged into the cooling water tower after passing through a sand tank and undergoing UV sterilization for reuse. The chemical wastewater and the wastewater discharged from the cooling water tower are discharged into the neutralization tank for pH adjustment before flowing into the wastewater treatment unit.

- Vietnam Plant collects and sends wastewater to a separation tank, where it is screened and filtered before being sent to a regulation tank to adjust the flow, quality, and concentration. Anaerobic microorganisms are used to decompose the organic matter in the wastewater. The biologically treated wastewater is converted into microbial sludge, which is then recycled back to the anaerobic tank. The treated wastewater is sent to a clarification tank to separate the activated sludge. Chemical disinfection using substances such as chlorine, ozone, or ultraviolet light is used to kill pathogenic microorganisms. The treated wastewater, which now meets regulatory standards, is directed into the discharge tank and then discharged to the discharge point according to the regulations of the industrial park.
- Wastewater from other plants mainly consist of domestic wastewater, which are collected through industrial park pipelines and delivered through the sewage system to the wastewater treatment plant for processing and discharge. It is not directly discharged to natural bodies of water. To monitor the effluent quality, Wistron regularly inspects the water quality to ensure that the effluent meets regulatory requirements and does not affect the ecological environment of natural water bodies and habitats. Wistron uses the ISO 14001 Environmental Management System to ensure that wastewater and sewage management meets effluent specifications in regulations. The Company systematically manages related environmental issues. By 2023, Wistron has attained zero effluent leaks and zero environmental complaints.



3.4.2 Air Pollution Control

Gas emissions from Wistron's production process consist mostly of hot air, tin fume, and volatile organic compounds (VOCs) from the isopropyl alcohol used for cleaning. According to internal SOPs, the gas should be collected in the ducts for adsorption from waste gas treatment equipment before being emitted. The Company passes regular waste gas sampling inspections to ensure compliance with regulatory requirements.

Isopropanol waste liquid is all stored in a specific area, and then handed over to an external qualified processor for disposal and transportation. Wistron performs inventory and management of VOC-containing substances to ensure that all related task operators are equipped with personal protection equipment (PPE) and related ventilation devices while handling and storing these substances. These measures ensure the health and safety of our employees while also reducing the potential negative impacts of VOCs on the environment. Nitrogen oxides (NOx) and sulfur oxides (SOx) are only emitted from Wistron plants when generators are used and fuel is incinerated in the process. The generators are only activated in the event of emergencies (e.g., power outages) and are not regular sources of emissions. Therefore, they are not listed as the main sources of emissions.

• Emissions of Volatile Organic Gases (tons)

Categories	2020	2021	2022	2023
Isopropyl alcohol	90.83	72.32	147.95	123.25
Ethanol	22.8	63.43	59.37	24.06
Ethylene glycol monobutyl ether	5.9	7.81	14.80	7.46
Ethanolamine	3.3	1.48	3.38	1.54
Others (those < 1% of total)	7.5	7.54	9.64	14.27
Total	130	152.59	235.15	170.57



3.4.3 Waste Management

Wistron is committed to avoid banned substances or materials and actively promotes waste reduction, recycling, and reuse. Any materials and suppliers we work with are rigorously and carefully screened, and we continue to pursue technical improvement or eco-friendly materials. We abide by environmental and customer regulations related to our activities, products, and services to attain, or even exceed set goals.

Waste management at Wistron consists of "consistent waste classification and reduction" and "recycling and reuse." We comprehensively evaluate and check the generation and flow of waste and toxic substances through sound waste and hazardous substance management, minimizing waste as much as possible through recycling. Strong management over waste and hazardous substances can help reduce the impact and burden on the environment, but also enable Wistron to create niches in business operations with improved material usage and lowered operating costs, helping us achieve sustainability.

• Waste Management Performance Indicators

Performance Indicators	Unit	2020	2021	2022	2023
Waste per unit-revenue	kilotons of waste output/ NT\$1B	0.064	0.061	0.059	0.048
Non-hazardous waste output per unit-revenue	kilotons of waste output/ NT\$1B	0.063	0.059	0.057	0.046
Hazardous waste output per unit-revenue	kilotons of waste output/ NT\$1B	0.002	0.002	0.002	0.002

Note: Waste intensity in 2018 was 0.051 kilotons / NT\$1B



Recycle / Reuse 28,978.85 tons

• Waste Generation (tons)

Categories	2020	2021	2022	2023
a. Reuse	215.67	238.07	232.67	491.15
b. Recycle	37,613.77	35,533.31	35,058.21	27,818.53
c. Replaced with alternative raw materials	-	-	-	-
d. Landfill	373.00	562.67	1,506.32	1,127.89
e. Incinerate (with energy recovery)	272.76	1,670.37	2,300.53	1,154.75
f. Incinerate (without energy recovery)	2,666.89	255.31	-	32.00
Subtotal	41,142.08	38,259.73	39,097.73	30,624.32
g. Temporary storage	-	-	-	-
h. Transported to external treatment facilities_Recycle	-	-	-	669.17
i. Transported to external treatment facilities	1,001.90	1,043.50	1,205.56	533.92
Subtotal	1,001.90	1,043.50	1,205.56	1,203.09
Total waste generated (d.+e.+f.+g.+i.)	4,314.55	3,531.85	5,012.41	2,848.56
Total waste recycled/reused (a.+b.+c.+h.)	37,829.43	35,771.38	35,290.88	28,978.85

Waste Reduction

Wistron's commitment to waste reduction involves implementing source reduction alongside resource classification and recycling plans. Recycling areas have been established in both plant facilities and offices to reduce waste. Recyclable waste including waste metal, packaging materials, plastic, paper, and batteries generated in plants is collected and transported external recycling companies in accordance with regulations.

Through waste classification and recycling, we have reduced operating costs associated with waste disposal while aligning with international waste reduction trends. Special waste such as chemical solvents (isopropyl alcohol, fluxes, thinners, etc.), lubricating oil, solder paste, and dross are temporarily stored in designated areas after classification and labeling before delivery to government-certified waste disposal companies for processing, with regular audits from Wistron to monitor the final destination of the waste.

To reduce waste more effectively, Wistron shifted the waste treatment target to "waste intensity reduction" starting from 2021. Using 2018 as the base year, we strive to reduce waste generation intensity (waste generation per unit revenue) by 2% each year – which means a 8% reduction by 2024, a 20% reduction by 2030, and a 30% reduction by 2035.

Moreover, Wistron has introduced the UL 2799 waste zero landfill certification mechanism in all major manufacturing plants since 2022. Our widespread adoption of UL 2799 aims to identify waste reduction plans and optimize resource utilization to achieve a sustainable resource cycle. At Wistron, we continue to expand our zero-waste mission, sharing our experiences in zero landfill waste certification with overseas plants to realize our commitment to sustainable management.

• Waste Recycling Rate (%)

Item	2020	2021	2022	2023	
Non-hazardous	Reuse	0.5	0.6	0.6	1.5
	Recycle	89.3	90.4	87.0	87.4
	Replaced with alternative raw materials	0.0	0.0	0.0	0.0
	Incinerate (with energy recovery)	0.6	4.3	5.7	3.6
Hazardous	Recycle	-	-	-	2.1
Total	90.4	95.3	93.3	94.7	



Spotlight

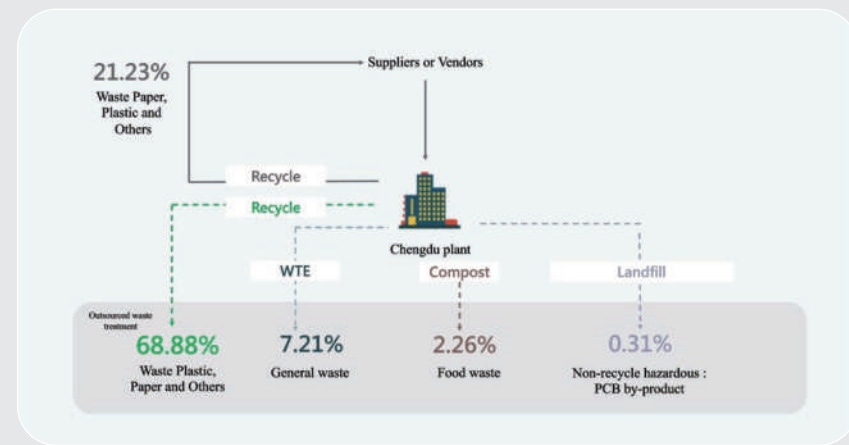
Spotlight: Promoting the UL 2799 Zero Waste to Landfill certification, our Chengdu plant has achieved Platinum level, which demonstrates our commitment to sustainable practices and marks a significant milestone towards a circular economy.

Since 2022, Wistron has implemented the UL 2799 Zero Waste to Landfill certification mechanism at its four major manufacturing plants in Hsinchu, Chongqing, Chengdu, and Zhongshan. This process encompasses waste flow inventory, data analysis, waste reduction initiatives, and all in collaboration with suppliers. Our plants have actively embraced the UL 2799 zero waste philosophy, achieving double Gold-level certifications at the Chongqing and Zhongshan plants.

In 2023, Chengdu plant advanced further, attaining the highest Platinum certification for zero waste to landfill, with a 100% diversion rate (including 7% energy recovery through incineration). The Zhongshan plant also improved its waste conversion rate by adjusting supplier selection strategies and negotiating with waste handlers, resulting in Platinum certification in 2023 with a 100% diversion rate (including 8% energy recovery through incineration).

Looking ahead, Wistron will continue to foster a positive circular economy, striving to achieve the sustainable goal of complete waste resource utilization.

1. Waste Disposal Process: Establish standardized procedures for waste handling and disposal.
2. Implementation of Waste Classification: Ensure proper waste labeling and classification methods, and standardize waste container markings within the plant to facilitate accurate waste flow recording.
3. Recording of Waste Flow: Use reliable tools to measure waste weight and regularly track waste production, ensuring accurate documentation and adherence to waste quantification metrics.
4. Management of Waste Suppliers: Continuously monitor suppliers' waste disposal processes to ensure consistency with our waste management commitments.
5. Waste Management Education: Provide comprehensive employee training and actively promote correct waste management practices.



UL VALIDATED
PLATINUM

• WISTRON INFOCOMM (CHENGDU) CO., LTD. HAS ACHIEVED ZERO WASTE TO LANDFILL PLATINUM OPERATIONS, 100% DIVERSION, WITH 7% THERMAL PROCESSING WITH ENERGY RECOVERY.
UL.COM/ECV
UL 2799A

UL VALIDATED
PLATINUM

• WISTRON HMA-NAN OPERATIONS HAS ACHIEVED ZERO WASTE TO LANDFILL PLATINUM OPERATIONS, 100% DIVERSION, WITH 8% THERMAL PROCESSING WITH ENERGY RECOVERY
UL.COM/ECV
UL 2799A

UL VALIDATED
GOLD

• WISTRON INFOCOMM (CHONGQING) CO., LTD. HAS ACHIEVED ZERO WASTE TO LANDFILL GOLD OPERATIONS, 99% DIVERSION, WITH 9% THERMAL PROCESSING WITH ENERGY RECOVERY
UL.COM/ECV
UL 2799A

3.5 Nature and Biodiversity

“In recent years, stakeholders have predominantly focused on climate-related risks, while the issue of Biodiversity Loss has gradually emerged as one of the most impactful areas of concern.”

Wistron's manufacturing sites and offices around the world are not situated in environmentally protected or biologically diverse regions, nor in habitats that have been restored. Our facilities do not house natural forests with rare flora or endangered species listed in the IUCN Red List of Threatened Species or the National Conservation List. We conduct environmental impact assessments in compliance with local regulations to prevent harm to biodiversity and actively use eco-friendly technologies. Compliance with environmental regulations is ensured through regular inspections on wastewater treatment, emissions, waste management, and noise. In Taiwan, we collaborate with organizations, local residents, and stakeholders through the Wistron Foundation on projects related to natural ecosystem conservation.

Wistron is committed to mitigating its overall ecological impact by promoting nature and biodiversity conservation, as well as no-deforestation initiatives. We advocate against deforestation throughout our value chain and manufacturing sites, implementing measures such as avoidance, minimalization, restoration, and biodiversity offsets. Additionally, we introduce Nature-based Solutions (NbS) to work towards the shared goals of No Net Loss and Net Positive Impact.

To better respond to the Global Goal for Nature and stay informed about the ecological environment, respect ecological balance, and protect endangered species, Wistron has gradually established assessment methods and indicators for the dependency and impact on nature and biodiversity conservation in 2023. Additionally, relevant work objectives have been set. To support the concept of ecological sustainability and forest cycles, we have completely phased out petrochemical cleaners at our business operations in Taiwan, replacing them with eco-friendly hand soap and dishwashing liquid made from wood vinegar extracted from campus tree pruning carbonization. We are committed to achieving a Nature Positive contribution by 2050. At the same time, we have set guidelines for our suppliers concerning biodiversity and no deforestation practices, which include protecting the ecological environment, prohibiting illegal logging, protecting natural habitats, and avoiding land pollution.



Nature and Biodiversity & No Deforestation Policy



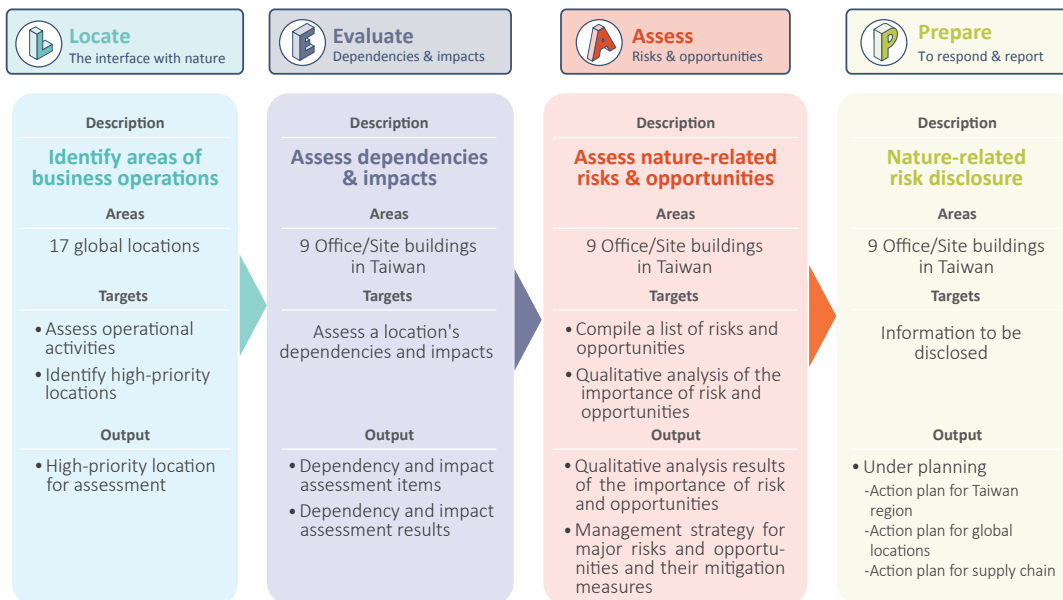
3.5.1 The Taskforce on Nature-related Financial Disclosures (TNFD)

Wistron has adhered to the final recommendations of the TNFD, officially announced in September 2023, by disclosing relevant information and progressively assessing and reporting our nature-related risks, impacts, and dependencies. This allows us to gain an in-depth understanding of the potential risks of our operation on biodiversity and take proper measures to mitigate such risks. Through TNFD's nature-related risk management and disclosure framework, Wistron continuously identifies, assesses, manages and discloses our nature-related dependencies, impacts, risks and opportunities while exploring assessment methods to comply with the global biodiversity targets. Wistron's Biodiversity Compliance and Assessment in 2023:

Adoption of the LEAP Approach at Wistron Offices/Locations

Impacts from natural capital (such as water) vary depending on the location or region. Therefore, targets and strategies should be formulated while considering such factors. Wistron adopts the LEAP approach in the TNFD framework in our integrated disclosures.

LEAP Approach Assessment Process



Operational Sites Analysis

Source of Maps/Data for Assessment

- Maps/data from the Ministry of Interior's national land surveying
- Overlays between the Ministry of Interior, Ministry of Economic Affairs, Environmental Information Center, Ministry of Agriculture and designated conservation areas
- Ministry of Agriculture - Ecological Network
- Ministry of Agriculture - Slope/land disaster potential and sensitive area maps
- Ministry of Agriculture - Locations of other important natural resources

Maps/Data to be Collected

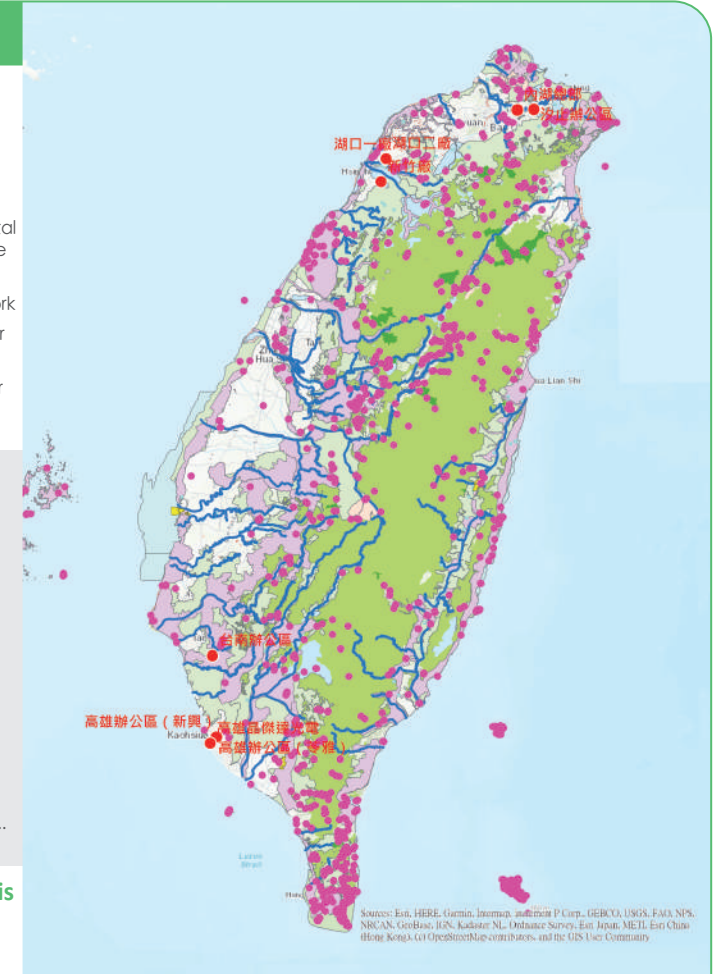
- Current land use and naturalness
- Wetlands of importance, national parks, coastal natural/regular conservation areas, wildlife conservation areas, key wildlife habitats, and so on...
- Ecological networks' regional conservation belts and rivers, regions, farm trenches, ponds, rivers, swamps and isolated creeks under watch Rivers with debris-flow potential and the area of impact
- Forest recreation areas, forest parks, habitats for rare plant species and so on...

Operational Site Location Analysis

- Site location
- Site coordinates
- 2km radius around 9 Wistron sites/offices to be assessed

Map/Data Overlay Analysis

- Location distribution and biodiversity map intersect



On the Ecological Network, pink areas are conservation areas with powder green areas being the conservation belt, blue areas as rivers and other colors representing conservation areas, national parks and national forests.

• Disclosure Framework

Dimension	TNFD Recommended Disclosures	Corresponding Chapters/Content
Governance	<p>The board's oversight over nature-related dependencies, impacts, risks & opportunities.</p>	<p>As part of our formal adoption of Enterprise Risk Management (ERM), we integrate climate and natural resource risks, including emerging risks such as biodiversity, and report to the board biannually. (For details, please refer to the "Risk Management" chapter) Wistron's Environmental and Energy & Ecological Conservation Policy is enforced after the board's approval as the highest guiding principle for Wistron's promotion of sustainability.</p>
	<p>Management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.</p> <p>Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.</p>	<p>With the increase of nature-related management issues, we expect our internal employees and other departments to take on different roles in the future. The Sustainability Office analyzes and assesses nature-related frameworks (TNFD and SBTN) and applies corresponding methodologies. Gain an in-depth understanding of biodiversity issues' impacts on business promotion and determine the policy direction. Meanwhile, the Sustainable Supply Chain also includes biodiversity issues in the Supplier Code of Conduct to work with suppliers to reduce the dependencies and impacts of key nature capital. Wistron Foundation closely follows the latest international trends and cooperates with external partners to promote ecological restoration and environmental education based on the company's core values. (For details, please refer to the "Wistron Foundation" section)</p>
Strategy	<p>Nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium and long term.</p>	<p>Based on the results from the Location Picking and Assessment stages, we have listed risks and opportunities and conducted a qualitative analysis of their importance. The relationship between a business and biodiversity varies depending on the region and external environment. Wistron assesses items such as IBAT and IUCN Red List of Threatened Spices, conservation areas and key biodiversity areas in a radius of 2 kilometers around our operational activities. The results vary as these items vary depending on the location of our operational activities. By tallying the scores of the aforementioned items, we assessed the natural resources and biodiversity surrounding 9 locations; our Xizhi office has the richest natural and biodiversity resources, followed by our Tainan office and Hsinchu Site; Keelung River flows by our Xizhi office and Neihu headquarters and contains important species such as Metzia formosae, rosy bitterling and small snakeheads. Through Wistron Foundation, we have conducted an investigation on rosy bitterling at Shuanglian Pond in Yilan, planned for restoration and continued watch over rosy bitterling at the Moon Pond in Guandu and continued monitoring groups of small snakeheads in the rivers near Shuanglian Pond.</p>
	<p>Effect nature-related dependencies, impacts, risks and opportunities have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.</p>	<p>Focusing on our core values, only via innovation and embedding sustainability in every assessment, decision-making and action of Wistron can we achieve true sustainability. Along with reducing harm to the environment and society in our product design and operations, we aim to create positive impacts for sustainable development. Additionally, by collaborating with domestic industry, government, academia, and research institutions, we focus on protecting ecological balance and endangered species. In the future, we will plan courses related to nature and biodiversity and expand the biodiversity risk assessment to cover areas surrounding our global manufacturing facilities and offices and activities at the upstream and downstream of the value chain to further predict the impacts of nature-related risks and opportunities.</p>
	<p>Resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios.</p> <p>Disclose the locations of assets and/or activities in the organization's direct operations and, where possible, upstream and downstream value chains that meet the criteria for priority locations.</p>	<p>Formulate a comprehensive natural disaster response plan and risk management to respond to potential storms, floods, earthquakes, or other natural disasters and thus ensure business continuity and employee safety. To reduce risks from the supply chain, we have diversified our strategies and reduced our dependence on any single region or material to enhance our adaptability.</p> <p>The location of a business's operational site is closely related to the nature. Therefore, it is crucial to identify, assess, avoid, mitigate, and manage the risks when assessing sites for these business activities. During the Location Picking stage, we assess potential sites for our offices/factories based on the completeness of the ecosystem, biodiversity, water stress and other factors to determine favorable locations. Wistron utilizes Worldwide Fund For Nature's Biodiversity Risk Filter (BRF) when assessing biodiversity risks of the company's operational sites and activities, including physical and reputational risks. Wistron utilizes IBAT when conducting an inventory of the biodiversity at the company's offices/factories worldwide and has incorporated Taiwan's maps and data in the geographic information system for overlay analysis.</p>

Dimension	TNFD Recommended Disclosures	Corresponding Chapters/Content												
Risk and Impact Management	<p>Processes used by the organization to identify and assess nature-related dependencies, impacts, risks and opportunities.</p>	<p>With ENCORE, we have conducted a preliminary assessment of our industry's dependence and impacts on the ecosystem services and nature, and have identified items with high and medium dependence. Wistron's manufacturing process operation does not rely heavily on water resources, and it is not prone to production line interruptions due to water scarcity. Therefore, based on actual assessment, the risk of water dependence and impact should be low.</p>												
	<p>Organization's processes for identifying and assessing nature-related dependencies, impacts, risks and opportunities in its upstream operation and downstream financing activities.</p>	<table border="1"> <thead> <tr> <th colspan="2">High</th> <th>Medium</th> </tr> </thead> <tbody> <tr> <td>Ecosystem service dependence</td> <td>Climate regulations</td> <td>Fresh groundwater Fresh surface water</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">High</th> <th>Medium</th> </tr> </thead> <tbody> <tr> <td>Impacts of manufacturing processes on natural capital</td> <td>Soil pollution Water pollution Greenhouse gas emissions</td> <td>Solid waste Environmental disturbance (noises and lights) Utilization of the marine ecosystems Non-GHG air pollution</td> </tr> </tbody> </table>	High		Medium	Ecosystem service dependence	Climate regulations	Fresh groundwater Fresh surface water	High		Medium	Impacts of manufacturing processes on natural capital	Soil pollution Water pollution Greenhouse gas emissions	Solid waste Environmental disturbance (noises and lights) Utilization of the marine ecosystems Non-GHG air pollution
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Impacts of manufacturing processes on natural capital	Soil pollution Water pollution Greenhouse gas emissions	Solid waste Environmental disturbance (noises and lights) Utilization of the marine ecosystems Non-GHG air pollution												
<p>How processes for identifying, assessing, and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes.</p>	<p>Wistron follows the Enterprise Risk Management (ERM) mechanism, which also covers nature-related risks. In compliance with the company's Risk Management Policy and Procedure, through risk identification, risk analysis, risk assessment, risk response and monitoring, risk reporting and disclosure and other management processes, units responsible for each risk must conduct risk assessment for any identified risk and formulate a risk response/mitigation plan based on the residual risk level after the assessment to mitigate the risks effectively.</p>													
	<p>How organization's assessment and response to nature-related dependencies, impacts, risks, and opportunities affect stakeholders.</p>	<p>Wistron Foundation worked with the Tainan Community College R&D Association to continuously investigate and monitor the environmental pollution at multiple locations. Additionally, by working with the government and NGOs, Wistron Foundation continues to give back to the community with wildlife-friendly farming and environmental education promotion to improve the environment.</p>												
Indicators and Targets	<p>Indicators for assessing and managing nature-related risks and opportunities in compliance with the organization's strategies and risk management process.</p>	<ul style="list-style-type: none"> • Locations worldwide will list environmental assessment as a key factor that must be considered when making investment decisions • Suppliers are forbidden from expanding their operations to locations with key biodiversity worldwide or within the nation. • Packaging materials and the upstream suppliers in the value chain can only use FSC-certified pulp. <p>Risks and opportunities indicators will be updated once the analysis and assessment are complete for Wistron's operational sites and supply chains worldwide.</p>												
	<p>Indicators for assessing and managing nature-related dependencies and impacts.</p>	<p>Risks and opportunities indicators will be set once the analysis and assessment are complete for Wistron's operational sites and supply chains worldwide.</p>												
	<p>Manage targets of nature-related dependencies, impacts, risks and opportunities as well as target performances.</p>	<p>Risks and opportunities indicators will be set once the analysis and assessment are complete for Wistron's operational sites and supply chains worldwide.</p>												