

1 Sustainability

1.1 Vision and Mission

1.2 Sustainability Strategies and Pillars

1.3 Sustainability Management

1.4 Governance for Sustainable Development

1.5 Materiality and Impact

1.5.1 Stakeholder Engagement

1.5.2 Process of Materiality Analysis



1.1 Vision and Mission

Vision
Innovation through Sustainability

Missions
Trusted Innovation Partner for Technology, Sustainability & Better Lives

Core Values
Customer Focus Innovation Integrity Sustainability

1.2 Sustainability Strategies and Pillars

In order to realize the company's vision and mission, we have integrated innovation into the core elements of sustainability, spotlighting the environment, social, and governance. Through sustained efforts, we have established a comprehensive and differentiated ESG 6 pillars strategies: sustainable supply base, green products, recycling, decarbonization, people with purpose, and labor welfare to spearhead sustainable development in the industry.

Six Sustainability Strategies

Decarbonization

People with purpose

Labor welfare

Sustainable supply base

Green products

Recycling

Sustainability Aspects

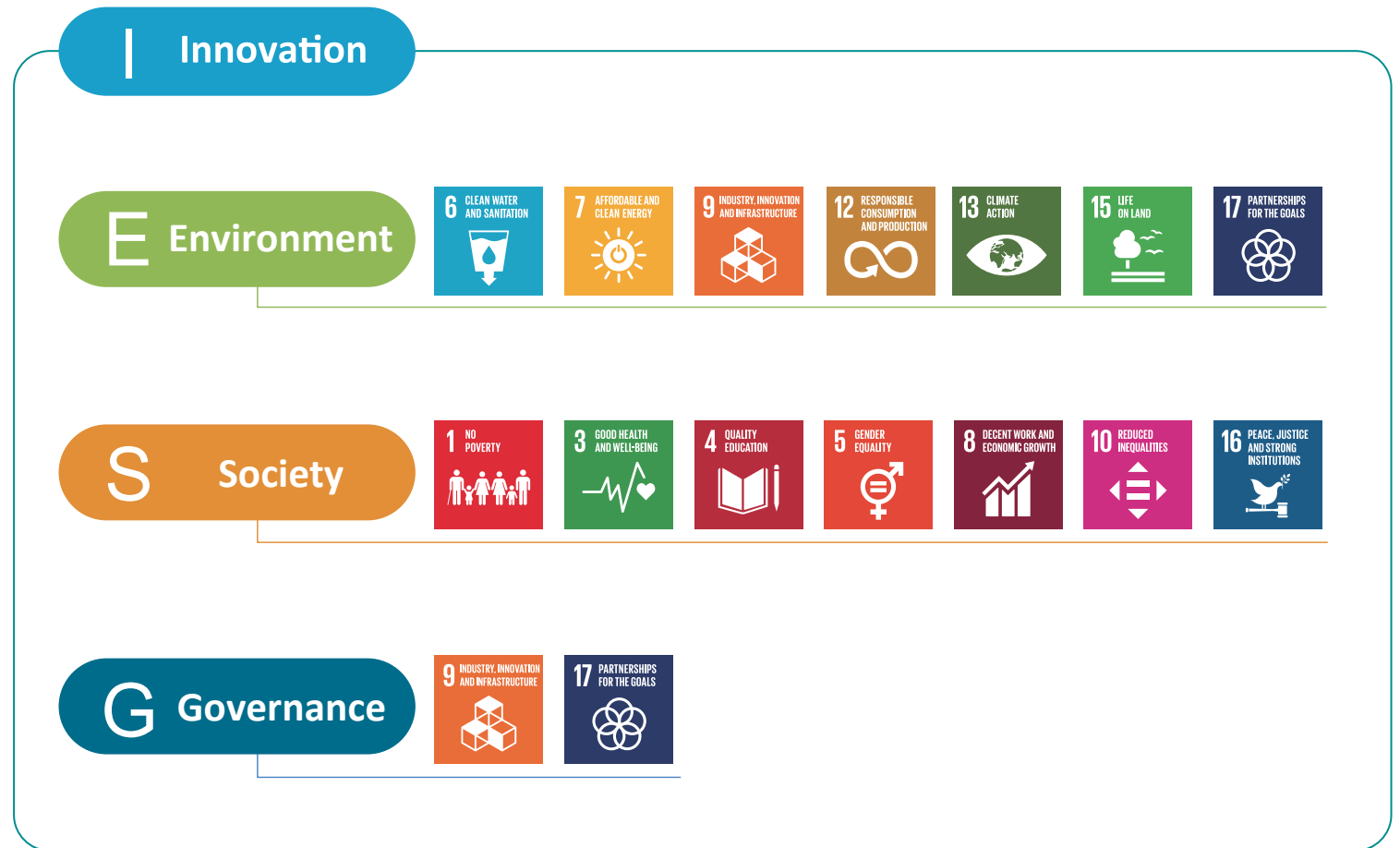
E
 Environment

S
 Society

G
 Governance

I
 Innovation

The Sustainable Development Goals of the United Nations drive sustainable development at Wistron. In addition, we also developed six sustainability strategies and the deployment of localized ESG actions at all Wistron locations around the world. SDG Compass guidance documents published by the UN Global Compact, GRI and WBCSD are referenced for comparison and linkage. Therefore, a framework in line with international standards is established to transparently disclose our efforts and contributions to sustainability. Efforts in 2023 correspond with the 14 Sustainable Development Goals.



Goals of the Six Sustainability Strategies (ESG 6-Pillar)

Strategies	Policies	2023 Actions	2023 Targets	2023 Results	Status	2024 Actions	2024 Targets	2030 Targets	2035 Targets
Sustainable supply base	By providing highly transparent, industry-insightful, and professionally advised supply chain management services to enhance sustainable performance, we aim to become the preferred partner for customers in addressing key challenges in supply chain management.	Optimize the supplier information management platform: Increase the comprehensive data registration rate of suppliers.	>40%	>43%	●	>60%	>60%	>90%	100%
		Continuously deepen the alignment with suppliers on sustainability goals: Complete the first-level data inventory of supplier greenhouse gas emissions.	Addition of 25 suppliers (expanding to other supplier attributes).	Total completion: 52 suppliers	●	Enhance the baseline data of carbon emissions for materials.	Total completion: 80 suppliers	Achieve Scope 3 carbon reduction targets as per SBTi	-
		Suppliers with high energy consuming material obtaining GHG external verification (ISO 14064-1)	55%	65.38%	●	Suppliers with high energy consuming material obtaining GHG external verification (ISO 14064-1)	70%	85%	100%
		Suppliers with high energy consuming material obtaining energy management system external verification (ISO 50001)	55%	55.77%	●	Suppliers with high energy consuming material obtaining energy management system external verification (ISO 50001)	60%	70%	80%
		Supply chain decarbonization initiative: Actual carbon reduction achieved by suppliers.	500 tCO ₂ e	1,232 tCO ₂ e	●	Supply chain decarbonization initiative (promoting consultant guidance for supplier carbon reduction).	4000 tCO ₂ e	Achieve a 25% absolute reduction in Scope 3 emissions as per SBTi	-
Green products	Based on a niche supplier network, provide sustainable design capabilities for continuous innovative growth.	Sustainable materials utilized for the development of selected green products	PCR > 35%	35.41%	●	Developing next-generation low-carbon NB products with increased proportions of sustainable materials.	PCR > 37%	PCR > 50%	PCR > 55%
		Expanding green design expertise to non-PC products	-	-	-	Introducing sustainable materials into non-PC products	Introducing a new product category	Introducing two new product categories	All Product
		Development of product carbon footprint system (PCF)	PCF II	1.Optimizing PCF system functionality 2.Complete carbon footprint analysis for 30 laptop models	●	1. Development of environmental footprint calculation functionality 2. Value chain (customer & supplier) PCF collaboration	PCF III	-	-
Recycling	Providing comprehensive recycling and reuse solutions to address the most critical challenges of the circular economy transition, committed to realizing the vision of "from cradle to cradle" in the ICT and other industries	Plastic recycling - Expand new materials and applications.: 1.PC/OBP for networking product & keyboard cap 2.PC/ABS + talc for NB (A/C/D)	Shipment of recycled plastics (PC/OBP, PCR PC/ABS) > 27,000 tons.	1.18,000 tons. 2.Complete the development of new PC/OBP materials and obtain customer certification, with plans for mass production in Q1 2024. 3.Successfully promote the introduction of new models into the NB market.	●	Developing the Power related Post-Consumer Recycled (PCR) market	In 2024, increase the proportion of PCR usage in annual shipments to 55%	1.70% 2.The plant of WGKS achieves carbon neutrality.	80%
		Battery recycling: 1.Achieve annual input weight of recycled batteries. 2.Optimization of sorting technology and automation process efficiency for lithium batteries in consumer electronic products	Expanding new materials and new applications: Annual input weight of battery recycling: 70-90 tons Confirming the development blueprint for the lithium battery business	1.Pilot run input of 1.5 tons of lithium batteries. 2.Confirming the development blueprint for the lithium battery business: Smart sorting of batteries and production of lithium battery black mass.	●				

● Over 95% ● 90%-95% ● Under 90%

Goals of the Six Sustainability Strategies (ESG 6-Pillar)

Strategies	Policies	2023 Actions	2023 Targets	2023 Results	Status	2024 Actions	2024 Targets	2030 Targets	2035 Targets	
Decarbonization	In line with the concerns of stakeholders, we will assist the world in achieving its decarbonization goals by synchronizing efforts with energy efficiency improvements, IoT, and smart technologies. Our aim is to achieve carbon neutrality by 2030	Increase the proportion of renewable energy usage	65%	66.47%	● Increase the proportion of renewable energy usage		72.5%	100%	100%	
		Improve energy usage efficiency	2%	4.61%	● Improve energy usage efficiency		2%	2%	2%	
		Establish an internal carbon pricing system	Impact Assessment of Carbon Regulations	Completed Carbon Emission Regulation Simulation for Operational Sites	● Internal Carbon Pricing Pilot		Internal Carbon Pricing Pilot		Internal carbon pricing management	Internal carbon pricing management
People with purpose	By fostering an innovative, inclusive, and integrity-driven organizational culture, we aim to attain the honor of being recognized as the "best workplace" in the technology industry	Transparency & connectivity	●Town hall attendance rate>85%, satisfaction rate >94%	●7 events, 505 attendees, with an attendance rate of 91% and a satisfaction rate of 99%.	● Transparency & connectivity		Strengthening communication among general employees (global indirect employee town hall coverage rate >30%)	Being awarded "Best Place to Work" recognition by a third party	-	
		Core values	●New employee core values training: Completion rate >90%, satisfaction rating >4.3/5. ●Internal trainers: 8 people completed training. ●Awareness campaigns: Participation of >5,000 individuals, awareness rating >4.3/5.	●Core values training: 3,089 participants, completion rate of 95%, satisfaction rating of 4.7/5. ●14 global certified trainers. ●Awareness campaigns: 14,859 participants, awareness rating of 4.6/5.	●		Employer branding	Global employer brand strategy formulation (Global: Establish talent recruitment websites in 5 locations; Taiwan: 10% of new hires come from internal referral channels)	●Core value identification rate: 80% ●Engagement score: 70%	-
		Sense of achievement	●Establishment of KPIs and work direction	●Completion of real-time incentive system survey and research 1.Enhance organizational performance management capabilities 2.Establish a learning and growth environment 3.Strengthen team incentive mechanisms	●					
		Diversity, equity & inclusion	●Global policy announcements and internal regulations optimization ●Formulation of long-term goals and action plans ●Training and development: Understanding DEI (Diversity, Equity, and Inclusion), anti-discrimination, and anti-harassment	●Policy announcements completed; inventory of 92 internal regulations completed. ●Completed DEI 2030 goal setting and action plan planning. ●Training and development: DEI awareness training completed by 97 individuals, satisfaction rating of 4.4/5; anti-discrimination and anti-harassment training completed by 8,439 individuals, completion rate of 99.4%.	● Diversity, equity & inclusion		●Regulations and process optimization (satisfaction >4.5/5). ●Implementation of DEI training programs (3,000 indirect employees in Taiwan participated). ●Establishment of 1 employee resource group.	●Female executives: 27% ●Female representation in STEM positions: 24% ●Female employees: 40%	-	

● Over 95% ● 90%-95% ● Under 90%

Goals of the Six Sustainability Strategies (ESG 6-Pillar)

Strategies	Policies	2023 Actions	2023 Targets	2023 Results	Status	2024 Actions	2024 Targets	2030 Targets	2035 Targets	
Labor welfare	Creating a work environment of mutual respect and friendly support to empower our direct employees, making Wistron a long-term choice where everyone's contributions are valued	RBA / SR compliance		100%	100%	●	RBA / SR compliance	1.100% 2.3 locations achieve Factory of Choice (FOC) status.	1. 100% 2. 6 locations achieve Factory of Choice (FOC) status.	1. 100% 2. 11 locations achieve Factory of Choice (FOC) status.
		Improving employee satisfaction: 1.Enhancements in basic needs (canteen(food), facilities, and transportation). 2.Counseling mechanisms and employee care programs.	Satisfaction of direct employees 1. Life \geq 3.48 2. Employee care \geq 3.70	1. Life = 3.43 2. Employee care = 3.69	●	Enhancing employee satisfaction: 1.Improvement in canteen(food), facilities, and transportation. 2.Counseling mechanisms for counselors and employee care.	Satisfaction of direct employees: 3.7	4.0	4.0	
		Occupational health and safety: 1.Prevention and management of occupational injuries. 2.Improvements in the health center.	The incidence rate: 1.15 %	0.88 %	●	Occupational safety and health: 1.Prevention and handling of work-related injuries. 2.Improvement of infirmary facilities.	90% of companies \leq 1.14	\leq 1.14	\leq 1.14	
		Strengthening the management of labor agency	1.Establish the overarching framework for global manufacturing labor agency management. 2.Draft the initial version of risk self-assessment forms and internal audit checklist.	1.Already completed. 2.The initial versions are all completed. 2.1.Incorporate local regulations into the risk self-assessment forms to enhance regulatory compliance (Mainland China). 3.Collaborate with the project office to develop the plan for and launch the global manufacturing workforce supplier management platform.	●	1.Iterative updates. 2.1.Risk self-assessment forms: Incorporate local regulations (Europe, Americas, Southeast Asia, Taiwan). 2.2.Internal audit checklist: Incorporate local regulations. 3.Iterative updates for the global manufacturing labor agency management platform.	1.Iterative updates. 2.1.Risk self-assessment forms: Conduct assessments in Q2 for Vietnam and Malaysia, achieving scores of 80/100. 2.2.Internal audit sheets: Introduce no priority items for suppliers at plant sites. 3.Iterative updates and addition of other modules.	Number of major incidents violating labor and human rights-related laws/regulations: 0 cases	0 cases	
		Career development for indirect employees	1.Organize the three career paths and training systems for direct employees at each plant. 2.Separate the W10 path/training system at the Chongqing plant. 3.Vocational skills certification in the China region.	1.Completion of organization, divided into 6 types. 2.The training system W10 at the Chongqing plant has been separated according to the paths. 3.Certification has been implemented at the Chengdu and Chongqing plants.	●	1.Separation of paths/training systems at other mainland China plants. 2.Implementation of the DLT system for training at the Vietnam and Malaysia plants.	1.Completion of path/training system separation at mainland China plants. 2.Completion of DLT system implementation.	Training and development opportunities score \geq 3.7	\geq 3.8	
Universal and long-serving employee health check-ups.	1.Overall employee participation rate in health check-ups reaches 85%. 2.Long-tenured employee participation rate in health check-ups reaches 95%.	1. 89% 2. 95%	●	Normalize operations	Normalize operations	-	-			

● Over 95% ● 90%-95% ● Under 90%

1.3 Sustainability Management

To fulfill our corporate social responsibility, Wistron's Board of Directors established "Sustainable Development Best Practice Principles," which clearly define four major principles to serve as the highest guiding principles for sustainable development at Wistron. The four principles are: (1) exercising corporate governance, (2) fostering a sustainable environment, (3) ensuring public welfare, and (4) strengthening corporate sustainable development information disclosure.

Corporate Sustainability and Social Accountability Management System

● Green Products Management System

In order to reduce the environmental impact of products throughout their lifecycle, Wistron considers energy efficiency, carbon reduction, efficient material use, harmful substances, and resource recycling when developing products. We follow international regulations, directives, and customer requirements, committing to simplifying design, production, and process to achieve eco-friendly products and sustainable environmental development.

● Environment and Energy Management System

Wistron pledges to mitigate our overall ecological impact by consistently evolving our activities, products, and services. We are committed to supporting climate initiatives, protecting biodiversity, and halting deforestation, while striving to conserve energy and increase the use of renewable resources. We also support the procurement and enhancement of energy-efficient equipment, adopt eco-friendly technologies to reduce emissions, and strive for low-carbon operations. We carry out water recycling, waste reduction, recycling, and shipping and distribution initiatives in our facilities. We also educate and train our employees to understand the environmental impact of their daily activities. Through our Green Products and Services program, we carefully select raw materials and suppliers to ensure we are not using any prohibited substances and materials.

● Quality Management System

Wistron places great importance on delivering quality products and services to customers. Throughout research, development, and manufacturing processes, we comply with international quality standards to ensure zero defects and to deliver competitive products and services to customers on time.

● Social Accountability Management System

Wistron pledges to comply with relevant international standards and local regulations concerning sustainable development, continuously enhance employee rights and welfare, establish a safe and healthy workplace with integrity, and promote sustainable development.

● Occupational Health and Safety Management System

Wistron fully understands the risks and opportunities present in the workplace, which can affect all individuals working within Wistron's premises. With a commitment to preventing injuries and promoting health, we pledge to establish a comprehensive occupational health and safety management system and encourage the use of advisory services to ensure a healthy and safe workplace for all.

1.4 Governance for Sustainable Development

To embed sustainability in our company's development and further realize corporate social responsibility, Wistron appointed the Board of Directors as the highest decision-making body to promote sustainable development. In 2019, the Board of Directors established the ESG Committee, which reports the outcomes and future work plans of sustainable development to the Board of Directors at least twice a year. The Board of Directors oversees the implementation and effectiveness of various sustainability projects, giving prior approval to major projects before roll out.

ESG Committee

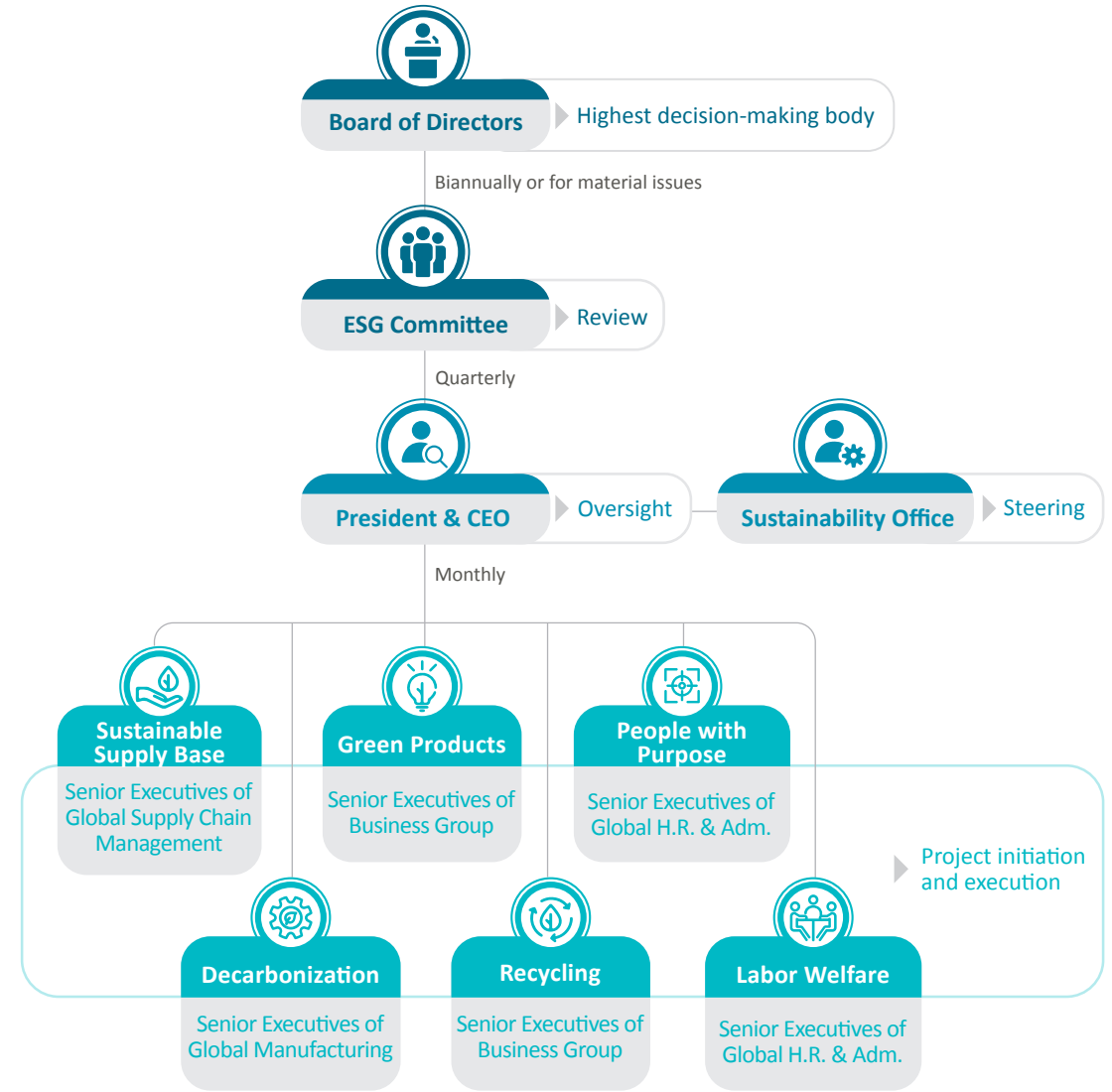
The ESG Committee is overseen by the Board of Directors (BOD) and is composed of senior executives and independent directors appointed by the BOD. The members elect one person to serve as the convener and chair of the meetings. The committee meets at least twice a year and is responsible for reviewing the Company's overall sustainable development directions, strategies, and objectives, as well as inspecting relevant management policies and specific action plans, monitoring sustainability information disclosure, and approving the sustainability report. Five meetings were held in 2023. Key resolutions and further information can be found in section 5.2.1.

Sustainability Office

Wistron established the Sustainability Office in 2021 to spearhead and manage sustainable development across the company. The Office is headed by the Vice President of Sustainability, who's not only the acting executive secretary to the company's ESG Committee, but is also responsible for rolling out sustainability strategies, projects, as well as initiatives passed by the board of directors and the ESG Committee. This includes sustainability disclosures, annual sustainability reports, identification of relevant sustainability topics, formulation of initiatives, budget allocation for the organization's sustainable development, and progress monitoring to ensure that our daily operations comply with sustainability strategies.

Six Sustainability Strategies Working Groups

Wistron integrates sustainability into daily operations and systematically incorporates past ESG performance actions to envision greater sustainable value creation for the future. This has led to six brand-new sustainability strategies, known as the ESG 6-Pillar, that will drive Wistron's advancement in the next decade. It starts from the vision and is drawn up from top to bottom to define short-term (1-2 years), mid-term (3-5 years) and long-term (6-10 years) goals. Senior executives serve as Pillar Owners and guide each working group to roll out corresponding plans from the bottom up, ensuring a solid structural foundation for these strategies. The President & CEO oversees progress across the sustainable strategies each month and reports achievements to the ESG Committee each quarter.



1.5 Materiality and Impact

1.5.1 Stakeholder Engagement

Wistron has adopted the Global Reporting Initiative Standards (GRI Standards) and the AA1000 Stakeholder Engagement Standards as the framework to establish the procedures for identifying material topics for sustainable development. We rely on the five major principles – Dependency, Responsibility, Influence, Diverse Perspectives, and Tension- outlined in the AA1000 Stakeholder Engagement Standards (SES) to ensure effective communication with stakeholders. Stakeholders are classified into seven groups: Employees, Customers, Shareholders/Investors, Suppliers/Contractors, Government/Competent Authorities, Non-Profit Organizations/Communities, and Media. As contractors are considered important partners for our offices and manufacturing sites, we've developed separate surveys to engage with and manage our contractors. Our approaches and achievements with various stakeholders in 2023 are as follows:

Stakeholders

Employees



Stakeholders' Significance to Wistron

Wistron embraces a humanistic approach, attracting top talents globally. We prioritize comprehensive salary, benefits, training, and employee support systems to foster potential, boost performance, and pursue sustainability together.

Key Issues of Concern in 2023

- Information security
- Occupational health and safety
- Employee care and support
- Air pollution and waste management
- Sustainable manufacturing

2023 Engagements & Outcomes	Communication Method and Channel	Communication Frequency
<ul style="list-style-type: none"> • Employee engagement: 77.3% (out of 100%) • Employee satisfaction: 52.4% (out of 100%) 	Engagement surveys for indirect employees and satisfaction surveys for direct employees	<ul style="list-style-type: none"> • Engagement surveys for indirect employees are conducted once every 1~2 years. • Satisfaction surveys for direct employees are conducted once every year.
<ul style="list-style-type: none"> • Wistron was awarded the "Talent Sustainability Award" by CommonWealth Magazine • Wistron's Malaysia Plant was selected as "Best Companies to Work for in Asia" in 2023 by HR Asia Magazine 	Participation in third-party assessments	Ad hoc
7 communication sessions held around the world with a total of 505 participants and a satisfaction rate of 99%	Two-way communication between supervisors and key personnel	Annually
<ul style="list-style-type: none"> • 3,089 participants supported the global core value course and reported a 4.7 (out of 5) satisfaction score • 14,859 participants supported global core value campaigns and reported a 4.6 (out of 5) satisfaction score 	Training, advocacy campaigns	Ad hoc
All (100%) employees completed and signed our code of conduct training	Global online education and Training on code of conduct	Annually
Average of 40.9 training hours for employees around the world	Onboarding training	When onboarding new employees
Four meetings (March, May, July, and October)	Management and staff representatives meet to discuss employees' suggestions and proposals	Quarterly

Stakeholders

Customers



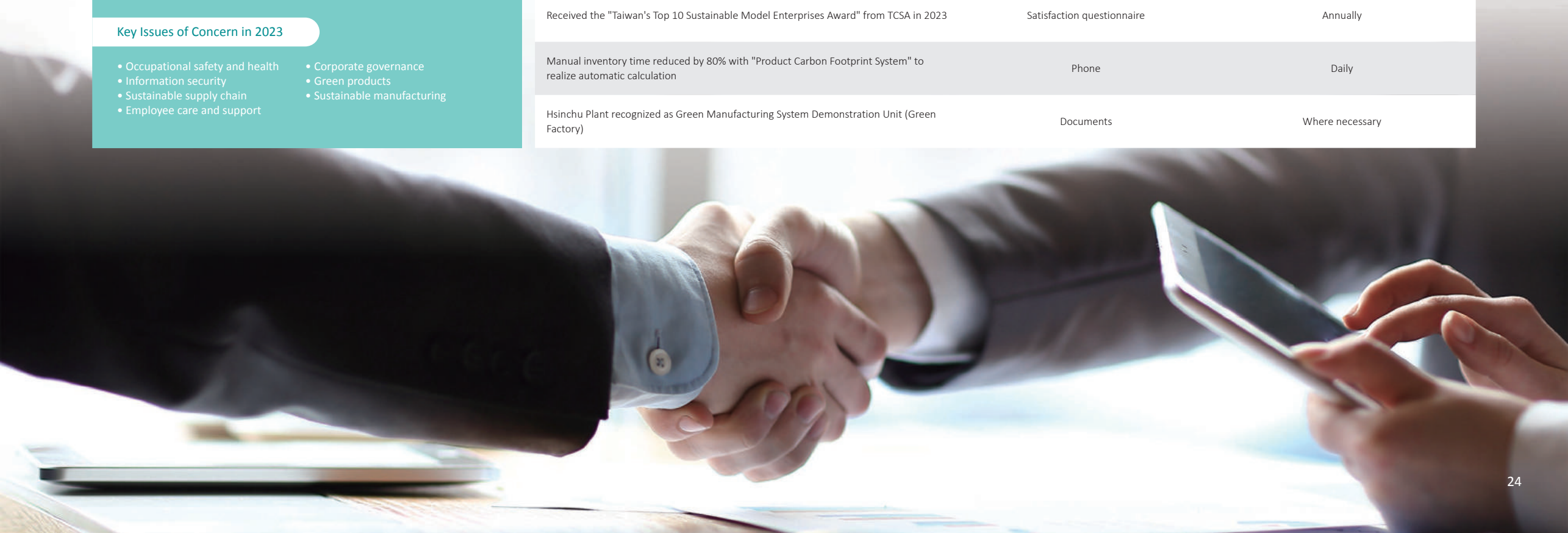
Stakeholders' Significance to Wistron

Wistron's core philosophy is to create value for Customers. We maintain ongoing communication with customers to understand their needs, build trust, help them achieve their goals, and grow together.

Key Issues of Concern in 2023

- Occupational safety and health
- Information security
- Sustainable supply chain
- Employee care and support
- Corporate governance
- Green products
- Sustainable manufacturing

2023 Engagements & Outcomes	Communication Method and Channel	Communication Frequency
Malaysia Plant receives its second accolade as the "Best Companies to Work for in Asia" by HR Asia Magazine	Quarterly sales reviews	Quarterly
All Wistron plants have passed ISO/IEC 27001 audits	Audits, and visits	Ad hoc
100% suppliers signed the "Declaration of Non-use of Conflict Minerals"	E-mails	Daily
Building an e-health platform to support employee well-being	Project meetings	Weekly
Received the "Taiwan's Top 10 Sustainable Model Enterprises Award" from TCSA in 2023	Satisfaction questionnaire	Annually
Manual inventory time reduced by 80% with "Product Carbon Footprint System" to realize automatic calculation	Phone	Daily
Hsinchu Plant recognized as Green Manufacturing System Demonstration Unit (Green Factory)	Documents	Where necessary



Stakeholders

Shareholders/ Investors



Stakeholders' Significance to Wistron

Wistron's primary business objective is to maximize shareholder value. We leverage funds prudently to foster a Positive cycle and maintain transparency by disclosing operational and financial information.

Key Issues of Concern in 2023

- Financial performance
- Product development and innovation
- Vision and sustainability strategies
- Customer relations
- Risk and crisis management

2023 Engagements & Outcomes	Communication Method and Channel	Communication Frequency
1 Shareholders' Meeting	Shareholders' Meeting	Annually
10 Investor Conferences	Investor conference	10
Participated in around 144 meetings and communicated with nearly 700 domestic and foreign investors in person or over the phone	Investor meetings	144

Stakeholders

Suppliers



Stakeholders' Significance to Wistron

Suppliers are important partners in Wistron's journey towards sustainable development. We help them evaluate potential risks and opportunities in accordance with global sustainability trends to jointly develop better solutions for our customers.

Key Issues of Concern in 2023

- Customer relations
- Occupational safety and health
- Information security
- Sustainable supply chain
- Green products
- Product development and innovation

2023 Engagements & Outcomes	Communication Method and Channel	Communication Frequency
1,313 green specifications and hazardous materials investigations	Supplier green product management platform	Updated when necessary
524 suppliers evaluated for product quality, price, and delivery items	Supplier sustainability performance evaluation	Monthly
1,531 companies were evaluated with the risk assessment procedure	Risk identification	Annually
593 supplier sustainability audits were completed	Supplier sustainability audit	Annually
A total of 337 companies in the group	Partner conferences	Annually

Stakeholders

Contractors



Stakeholders' Significance to Wistron

Contractors are crucial partners in Wistron's business operations. We collaborate with contractors in manufacturing, sales, and occupational safety to enhance workplace environments and ensure employee safety.

Key Issues of Concern in 2023

- Climate strategy
- Diversity and Inclusion
- Charity and philanthropy
- Customer relations
- Air pollution and waste management

2023 Engagements & Outcomes	Communication Method and Channel	Communication Frequency
192 routine meetings	Routine meetings	Weekly / Monthly / Quarterly / Annually
189 relevant training sessions, drills, and construction safety briefings	Occupational safety education and training	Annually / Ad hoc
16 relevant inspections	Daily inspections and maintenance	Monthly / Semiannually
52 weekly reports	Reports	Weekly
17 relevant meetings	Project meetings	Monthly / Quarterly / Annually
Audited 5 contractors	Onsite audits	Every two years
All vendors signed commitments	Commitment	Annually

Stakeholders

Government / Competent Authorities



Stakeholders' Significance to Wistron

Wistron complies with the laws and regulations of local governments and maintains communication with government agencies to create local employment opportunities and tax revenue.

Key Issues of Concern in 2023

- Air pollution and waste management
- Green products
- Occupational safety and health
- Employee care and support
- Circular economy
- Corporate governance
- Energy consumption and greenhouse gas management
- Environmental policy and management system

2023 Engagements & Outcomes	Communication Method and Channel	Communication Frequency
Ranked among the top 5% of listed companies in the 10th Corporate Market Observation Post System's Corporate Governance Evaluation	Corporate Governance Evaluation	Annually
	Regularly update company website and information on Market Observation Post System	Monthly / Quarterly / Annually
Published annual sustainability reports to enhance ESG disclosure	Annual Report and Financial Report	Quarterly / Annually
	Official documents, questionnaires, interviews, phone communication	Ad hoc

Stakeholders

Non-Profit Organizations/Communities



Stakeholders' Significance to Wistron

NPOs are key partners in Wistron's efforts to expand our influence for sustainability. We have established long-term relationships with NPOs to respond to environmental and social issues. Wistron also continues to communicate with local groups and residents to mitigate the impact of operations and production activities on local communities.

Key Issues of Concern in 2023

- Recruitment and retention
- Green products
- Nature Ecology Protection
- Charity and philanthropy
- Vision and sustainability strategies
- Environmental policy and management system

2023 Engagements & Outcomes	Communication Method and Channel	Communication Frequency
<ul style="list-style-type: none"> Held 8 donation campaigns with colleagues contributing NT\$5.96M through voluntary small donations Donated 1,684 gift boxes to charities during fundraisers held on the Dragon Boat Festival and Mid-Autumn Festival NT\$49M in foundation sponsorships/commissions 	Projects in line with the purpose / goal of the foundation are supported through commissions or sponsorships, and communicated via meetings, site surveys, reports, etc.	Regularly and ad hoc
<ul style="list-style-type: none"> 27 articles of event information on official website 19 articles on natural and cultural information 4 newsletters 	Newsletters and event information	Regularly and ad hoc

Stakeholders

Media



Stakeholders' Significance to Wistron

Wistron maintains communication channels with the media to disseminate company information, foster our brand image, and engage more stakeholders.

Key Issues of Concern in 2023

- Customer relations
- Information security
- Green products
- Climate strategy
- Employee care and support
- Air pollution and waste management
- Environmental policy and management system

2023 Engagements & Outcomes	Communication Method and Channel	Communication Frequency
Ranked among the top 5% of listed companies in the 10th Corporate Market Observation Post System's Corporate Governance Evaluation	Press conferences	Ad hoc
Media inquiries are responded proactively or in a timely manner, so that the media can obtain accurate information on company operations and corporate governance. This can improve Wistron's corporate image. Efforts include: <ul style="list-style-type: none"> 4 press conferences 34 press releases 6 media interviews 	Monthly revenue press releases	Regularly
	Announcement of financial report and board resolution press releases	Regularly
	Announcement of Shareholders' Meeting or investor conference press releases	Regularly
	Press releases major information related to operations	Ad hoc
	Announcement of showcase / award press release	Ad hoc
	Participation in public events such as forums and interviews	Ad hoc

1.5.2 Process of Materiality Analysis

Wistron conducts its materiality analysis annually. The Company follows GRI Universal Standard 2021's GRI3: Material Topics 2021 while integrating the evaluation methodology of the impact on the economy, environment and society developed by Value Balancing Alliance (VBA), Harvard Business School's Impact-Weighted Accounts project and London Benchmarking Group (LBG) and incorporating European Financial Reporting Advisory Group (EFRAG)'s Double Materiality principles to build its impact-based materiality analysis process to identify material topics. The analysis result was passed by the board's resolution, which determined 17 sustainable issues as the material topics for the Company's 2023 Sustainability Report. These material topics were further integrated into the Wistron's Enterprise Risk Management (ERM) process to identify risk factors, frequency, and severity, and to develop risk mitigation measures. The results of the materiality analysis were verified by a third-party to confirm the disclosure boundaries and scope of information, which were based on the foundation for setting long-term sustainability targets. The materiality analysis process is listed below:

Compile Sustainability Issues

Wistron followed global sustainability trends and standards, including GRI Standards, UN SDGs, SA8000 Standard and the global risk reports by Responsible Business Alliance (RBA), Sustainability Accounting Standards Board (SASB) and World Economic Forum (WEF) as well as issues that major investment firms pay close attention to: DJSI, MSCI ESG Ratings, CDP, TCFD and other disclosure frameworks. Wistron also included material issues that are key to the industry along with the Company's business development strategies, objectives and stakeholder interaction and compiled a total of 27 issues. Compared to the year prior, "Climate Change Management" and "Natural Ecology Protection" are renamed "Climate Strategy" and "Natural Ecology and Biodiversity" respectively; "Human Rights, Diversity and Tolerance" was divided into "Business and Human Rights" and "Diversity, Equity and Inclusion;" "Human Resources Structure" was integrated with "Diversity, Equity and Inclusion;" "Sustainable Manufacturing" was added in light of the Company's low-carbon manufacturing transformation.

Materiality analysis

Considering both "dynamic materiality" and "double materiality" simultaneously, Wistron conducted its materiality analysis from 3 perspectives: internal/external stakeholder concerns, impact to the organization's operation and sustainable development impact. Regarding sustainable development impact, Wistron integrated both monetary and non-monetary valuation methods for impact assessment. Wistron applies the monetary valuation methods for its periodic sustainability impact evaluations; non-monetary valuation methods are implemented in the annual materiality analysis.

- Internal/external stakeholder concerns: Wistron conducted questionnaires to survey 7 types of internal/external stakeholders regarding their concerns towards ESG topics, including customers (39 participants), employees (133 participants), suppliers (168 participants)/ contractors (22 participants), shareholders/investors (20 participants), government/competent authorities (8 participants), non-profit organizations/communities (14 participants) and media (2 participants), totaling 406 stakeholders that have participated in this questionnaire survey.
- Impact to the organization's operations (inward impact): When driving business sustainability, Wistron believes in linking ESG promotion with the core of Wistron's business development. A total of 7 executives participated in the survey, which measured the impact of each sustainable issue on factors of "revenue, employee cohesion, customer satisfaction, operational risk and brand image." Impact of each sustainable issue on the Company's operations was assessed from the perspective of financial materiality, with the topics' materiality being ranked accordingly.
- Sustainable development impact (outward impact): Wistron invited its internal core teams responsible for its ESG promotion - a total of 21 supervisors and employees to participate in its sustainable development impact evaluation, using Impact Valuation to evaluate the positive/negative and potential/actual impacts and their extent (such as scale, scope or irremediability), likelihood and other factors. They also established a threshold for the impact severity and likelihood. Any impact that meets that threshold will be categorized as a significant impact caused or contributed to by Wistron and ranked ESG issues based on these impacts; meanwhile, Wistron also integrated the result of their regular impact monetization analysis result and selected influential and material topics based on the monetization values.

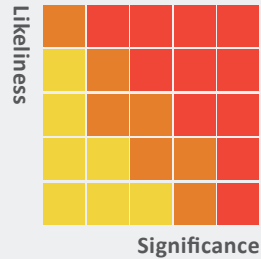
• Wistron Sustainability Impact Analysis – Non-monetary

21 Impacts

Impacts	Positive	Negative
Economy	4	1
Environment	2	4
Human/ Human Rights	7	3

Sources of impact :

- 1- Value-Balancing Alliance (VBA)
- 2- Harvard Business School's Impact-Weighted Accounts
- 3- London Benchmarking Group
- 4- Wistron Corporation



Significance

Significance = (1)+(2)+(3)

- (1) Level
- (2) Scope
- (3) Irremediability

12 Significant Impacts

Economic impacts

- + Industrial Technology Development
- + Increase in Upstream Output Value
- + Increase in Taxation

Human/
human rights impacts

- + Public Welfare
- Human Rights Risks in Supply Chain
- Occupational Injuries

Environmental impacts

- + Product's Environmental Benefits
- + Increase in Taxation
- Increase in Energy Resource Consumption
- Natural Resource Scarcity
- Extreme Weather
- Procurement's Environmental Impact

+ Positive impact
- Negative impact

Level of Impact

Sustainability Issues

<p>Extremely high</p>	<ul style="list-style-type: none"> Environmental policy and management Greenhouse gas emissions and energy Vision and sustainable strategies 	<ul style="list-style-type: none"> Air pollution and waste Natural ecology and biodiversity Sustainable manufacturing
<p>High</p>	<ul style="list-style-type: none"> Company governance Customer relations Sustainable supply chain Risk and crisis management Water resource management Business and human rights 	<ul style="list-style-type: none"> Circular economy Public welfare and charity Workplace safety and health Employee care and benefits Diversity, equity and inclusion Product development and innovation
<p>Significant</p>	<ul style="list-style-type: none"> Financial performance Information security Climate strategy Talent attraction and retention 	<ul style="list-style-type: none"> New business development Diverse, cross-field cooperation Green products Talent cultivation and career development

Define positive / negative impacts

Significant impact analysis

Sustainability issues that affect significant impacts



Wistron Sustainability Impact Analysis – Monetary

Value Chain	Input/Output of Operations	Well-Being Changes (Outcome)	Impacts	Subjects	Impact Indicators	Impact Type	Currency Value (KNTD)2022	Currency Value (KNTD)2023	Impact level	ESG Topics	
Supply chain	↓ Input	Increases output value by driving supply-demand across industry chain	Socio-economic development	Supply chain	Supply chain output value gained from procurement	+ Indirect Short-term Regional	502,828,216	412,199,294	●●●●●●	Sustainable Supply Chain	
		Generates job opportunities & compensation across supply chain	Job opportunities and purchasing power	External employees	Supply chain employee salary income generated from procurement	+ Indirect Short-term Regional	17,113,618	13,591,941	●●●●●○		
		Global warming from rising GHG levels	Social cost of carbon			- Indirect Long-term Global					
		Changes in air pollution levels in the atmosphere			Environmental footprint from supply chain	- Indirect Short-term Regional	6,975,704	5,608,888	●●●●○○		
		Changes in pollution levels in water bodies	Human health and ecological quality	Environment		- Indirect Short-term Regional					
	↑ Output	Air pollution from waste incineration				- Indirect Short-term Regional					
		GHG emissions from waste incineration & burial				- Indirect Long-term Global					
		Local procurement	Mitigates environmental impact from shipping of procured items	Social cost of carbon		Supply chain output value gained from procurement	+ Indirect Long-term Global				Green Products
		Green procurement	Mitigates environmental impact throughout life cycle of procured items			Supply chain output value gained from procurement	+ Indirect Long-term Global	Value methods under development			
		Digital platform for suppliers	Help suppliers increase operational efficiency	Work-life balance	Supply chain	Supply chain output value gained from procurement	+ Indirect Short-term Regional				Digital Transformation
Products and services	↑ Output	Product sales (amount)	Increases output value by driving supply-demand across industry chain	Socio-economic development	Customer/End user	Output value for customers driven by product sales	+ Indirect Short-term Regional	571,055,005	529,242,910	●●●●●●	Customer Relations
		Product sales (quantity)	Environmental impact from handling electronic waste			Environmental footprint from waste products	- Indirect Long-term Global				
	↓ Input	Renewable raw material usage	Mitigates environmental impacts from raw material extraction	Social cost of carbon	Environment	Environmental footprint from raw materials	+ Indirect Long-term Global			Green Products	
		Energy-efficient product	Reduces GHG emissions with energy-efficient products				+ Indirect Long-term Global	Value methods under development			
		designs	GHG emissions throughout product use			Environmental footprint from product use	- Indirect Long-term Global				
	↑ Output	Energy consumption from product use					- Indirect Long-term Global				
		New patent and technology development	Helps development & application of industry technologies	Quality of life & Industry's technical capabilities	Customer/End user	Increase in proprietary asset value	+ Indirect Long-term Global			Product Development and Innovation	

Value Chain	Input/Output of Operations	Well-Being Changes (Outcome)	Impacts	Subjects	Impact Indicators	Impact Type	Currency Value (KNTD)2022	Currency Value (KNTD)2023	Impact level	ESG Topics
Products and services	Compensation & benefits	Increases happiness through compensation higher than living	Job opportunities and purchase power	Internal employees						Talent Attraction and Retention
	Tax payments	Supports government infrastructure and social welfare	Socio-economic development	Society						
	Depreciation and amortization	Drives industry technology development	Industry's technical capabilities	Supply chain	Direct economic contribution	⊕ Direct Short-term Regional	85,978,934	87,753,931	●●●●●○	Financial Performance
	Interest & leasing	Strengthens drivers for economic growth	Quality of life & Purchasing power							
	Net income	Facilitates product success for customers & generates returns for investors	Quality of life & Purchasing power	Customer/ Shareholder/Investor						
	Non-renewable energy usage	Global warming from rising GHG levels	Social cost of carbon	Environment	Social cost generated by GHG emissions	⊖ Direct Long-term Global	516,315	428,897	●●●○○○	Energy and Greenhouse Gas
	GHG emissions									
	Renewable energy usage									
	GHG emissions avoided					⊖ Direct Long-term Global	214,804	200,508	●●●○○○	
	Water withdrawal	Changes in water reserve			Social cost generated by water resource depletion	⊖ Direct Short-term Regional	17,387	11,997	●●○○○○	Water Resources
	Recycled water usage									
	Wastewater discharge	Changes in pollutant concentration in water bodies	Human health & Natural resource stocks		Social cost generated by wastewater disposal	⊖ Direct Short-term Regional	13,733	9,256	●●○○○○	
	Air pollution	Changes in air pollutant concentration in the atmosphere			Social cost generated by air pollution	⊖ Direct Short-term Regional	340	246	●○○○○○	
	Waste	Air pollution from waste incineration			Social cost generated by waste disposal	⊖ Direct Short-term Regional	5,741	3,943	●○○○○○	Air Pollution and Waste
		GHG emissions from waste incineration and burial	Social cost of carbon	⊖ Direct Long-term Global						
	Occupational accidents	Physical and mental impacts on workers & medical expenses	Quality of life & Consumption of social		Social cost generated by occupational	⊖ Direct Short-term Regional	1,178	3,009	●○○○○○	Occupational Health and Safety
	Expenses for health promotion	Potential health risks from work	Work-life balance	Society	Medical costs avoided from health promotion	⊕ Direct Short-term Regional	10,981	13,875	●●○○○○	
	Number of employees with health risks				Future income generated from employee training	⊕ Direct Long-term Regional	1,207,477	2,371,012	●●●●●○	Talent Cultivation and Development
Training hours and funding	Increases professional skills & employability	Professional knowledge and skills								

Input Output

Prioritizing material topics

Material topics were selected based on survey results on “Stakeholder Concerns,” “Organizational Operating Impact” and “Sustainable Development Impact” as well as Wistron’s six major sustainability strategies and the 2030 long-term targets. At the end, 17 material topics were determined and submitted to the board, including “Climate Strategy and Energy,” “Water Management,” “Air Pollution and Waste,” “Diversity, Equity and Inclusion,” “Talent Attraction and Retention,” “Talent Cultivation and Development,” “Occupational Health and Safety,” “Business and Human Rights,” “Social Welfare and Charity,” “Company Governance,” “Risk and Crisis Management,” “Customer Relations,” “Sustainable Supply Chain,” “Information Security,” “Product Development and Innovation,” “Circular Economy” and “Green Products” among others.

Material topics are ranked based on whether or not a topic is identified as a topic with significant impact in the 3 questionnaires (TOP 5) as well as its calculated impact (please refer to the chart below). The impact boundaries of the identified material topics in Wistron’s value chain- a total of 17 issues in 2023 correspond respectively to 23 GRI Standards topics and 3 of Wistron’s own topics. Wistron followed the reporting requirements and collected data, statistics and management policies from within for disclosure.

• **Wistron’s Material Topics**

Material Topic	Ranking	Stakeholder Concerns	Organizational Operations Impact	Sustainable Development Impact- Non-monetary	Sustainable Development Impact Monetary	GRI Topics Standards	SASB Industry Topics
Customer Relations	1	● ● ●	● ● ●	●	● ● ●	Customer Privacy (418) /Customer Health and Safety (416) /Marketing and Labeling (417)	
Climate Strategy and Energy	2	●	● ● ●	● ● ●	● ●	Economic Performance (201) /Energy (302) /Emissions (305)	
Sustainable Supply Chain	3	● ●	● ●	● ●	● ● ●	Procurement Practices (204) /Supplier Environmental Assessment (308) /Supplier Social Assessment (414)	TC-ES-320a.2 / TC-ES-320a.3 / TC-ES-440a.1
Product Development and Innovation	4	●	● ●	● ●	● ● ●	Wistron’s own topics	
Occupational Health and Safety	5	● ● ●	●	●	●	Occupational Health and Safety (403)	TC-ES-310a.1 / TC-ES-320a.1
Air Pollution and Waste	6	● ● ●		● ● ●	●	Emissions (305)/ Effluents and Waste (306)	TC-ES-150a.1
Talent Attraction and Retention	6		● ● ●	●	● ● ●	Market Presence (202) /Employment (401) /Labor/Management Relations (402)	
Company Governance	8	● ● ●	●	● ●		Economic Performance (201)	
Information Security	9	● ● ●	● ●	●		Wistron’s own topics	
Circular Economy	10	●		● ●	● ●	Materials (301) /Effluents and Waste (306)	TC-ES-410a.1 / TC-ES-440a.1
Green Products	10	● ●		●	● ●	Materials (301)	TC-ES-440a.1
Risk and Crisis Management	12	●	●	● ●		Wistron’s own topics	
Public Welfare and Charity	13	●		● ●		Indirect Economic Impacts (203) /Local Communities (413)	
Diversity, Equity, and Inclusion	13		●	● ●		Diversity and Equal Opportunities (405)	
Talent Cultivation and Development	13		●		● ●	Training and Education (404)	
Business and Human Rights	16			●	●	Diversity and Equal Opportunities (405) /Non-discrimination (406) /Child Labor (408) /Forced or Compulsory Labor (409)	
Water Resource Management	16			●	●	Water and Effluents (303)	TC-ES-140a.1

*: Represents impact level

Compared to the 17 topics from last year, four topics are no longer considered material this year: “Environmental Policy and Management,” serves as the guiding principle for the company’s environmental initiatives. While not emphasized as a material topic, it still holds intrinsic importance to internal operations; “Employee Care and Support,” has been integrated into “Talent Attraction and Retention”; “Vision and Sustainable Strategies” and “Digital Transformations” have become integral drivers of the company’s growth over the years, embedded in its culture and widely applied across various domains, thus not specifically listed as material topic; Considering the alignment of long-term development targets, “Climate Strategy” and “Energy and Greenhouse Gases” have been merged into “Climate Strategy and Energy.” Additionally, based on impact analysis, “Air Pollution and Waste,” “Water Management,” “Social Welfare and Charity,” “Company Governance” and “Risk and Crisis Management” were added to material topics.

• Wistron Double Materiality Analysis

Dimension	Material Topics	Organizational Operations Impact (Financial Materiality)										Sustainable Development Impact (Impact Materiality)						
		Revenue Growth	Customer Satisfaction	Operational Risks	Employee Cohesion	Brand Image	Industrial Technology Development	Upstream Output Value	Taxation	Product's Environmental Benefits	Renewable Energy	Public Welfare	Human Rights in Supply Chains	Occupational Injury	Energy Resource Consumption	Resource Depletion	Greenhouse Gases	Environmental Impact in Procurement
Environment	Climate Strategy and Energy		○	○		○				○	○			○	○	○	○	
	Water Resource Management										○			○			○	
	Air Pollution and Waste									○	○			○		○	○	
Social	Diversity, Equity, and Inclusion		○		○				○			○						
	Talent Attraction and Retention	○		○	○	○							○					
	Talent Cultivation and Development				○								○					
	Occupational Health and Safety			○								○	○					
	Business and Human Rights								○			○	○					
	Public Welfare and Charity								○			○						
Governance	Corporate Governance	○		○		○			○			○	○					
	Risk and Crisis Management			○								○	○			○		
	Customer Relations	○	○	○			○	○				○						
	Sustainable Supply Chain	○		○				○				○					○	
	Information Security		○	○			○											
Innovation	Product Development and Innovation	○	○				○	○										
	Circular Economy									○	○				○			
	Green Products									○								

○: Material impact of ESG on organizational operations or sustainable development

• Material Topics and Their Relationship to the Value Chain

Dimension	Material Topics	Importance to Wistron	Internal		Upstream		Downstream	
			Wistron	Subsidiary	Parts	Consumable	Equipment	Customer
 Environment	Climate Strategy and Energy	In response to the global challenges posed by climate change, Wistron is making strides towards low-carbon transformation targets, actively managing climate-related risks and opportunities to strengthen operational resilience. We have set carbon reduction targets in accordance with international standards and is working to introduce energy saving and carbon reduction measures to minimize carbon footprint and enhance operational competitiveness.	○	○	○	○	○	○
	Water Resource Management	Most of Wistron's product manufacturing processes are assembly focused and therefore do not require the use of large amounts of water. Water resources management mainly involves day-to-day water conservation, practical water recycling and wastewater management. Water use data is also collected for regular monitoring of water quality and water usage. Water-saving activities are implemented periodically to promote water resource protection.	○	○	○	○	○	○
	Air Pollution and Waste	Gases produced in Wistron's production processes are treated in accordance with internal standard procedures before being discharged. Exhaust gases are regularly sampled and tested to ensure regulatory compliance. Wistron pledges not to use prohibited substances and raw materials, enforcing a rigorous, careful selection process for both raw materials and suppliers. We persistently enhance our technology and seek out environmentally friendly materials, complying with environmental regulations and customer policies for our activities, products, and services to meet or surpass our goals.	○	○	○	○	○	○
 Social	Diversity, Equity, and Inclusion	A culture of diversity and inclusion creates positive impact for the organization. Wistron adopts humanistic core values and welcomes diverse, international talents. We promote gender equality and hires local talents for managerial positions to promote the localization of human resource management.	○	○				
	Talent Attraction and Retention	A high-quality talent pool is a key strategic asset for enterprises. Wistron seeks to create a diverse and best-in-class workplace and provide benefits that exceed regulatory requirements to inspire pride in employees as Wistron members.	○	○				
	Talent Cultivation and Development	To assist employees to develop in their functions, Wistron provides multiple learning channels and training systems to boost organizational competitiveness in response to market challenges.	○	○				○
	Occupational Health and Safety	Employee health and workplace safety are the foundation for the sustainable development of enterprises. Wistron complies with international standards to create a work environment that allows employees to feel at ease and ensures optimal operational performance.	○	○				
	Business and Human Rights	Implement human rights policies and due diligence process, identify high-impact issues through human rights risk assessment, adopt mitigation and remedial measures, respect and protect the human rights of workers in the upstream and downstream value chains as well as Wistron's own operations.	○	○	○	○	○	○
	Public Welfare and Charity	Wistron focuses on two major aspects in its public welfare efforts: "environment" and "humanities," and work with public welfare partners who share the same philosophy on diverse projects.	○	○				
 Governance	Corporate Governance	Integrity management forms the cornerstone of corporate sustainability. Wistron adheres to both domestic and international regulations, embracing high standards of self-discipline to honor the trust of our shareholders.	○	○				
	Risk and Crisis Management	Wistron has a risk management mechanism in place and enforces risk control, adjustment, and process inspection procedures to strengthen operational resilience in response to the changing market environment.	○	○	○	○	○	
	Customer Relations	Core competitiveness of an enterprise is rooted in sustainable and close partnerships with customers. Wistron further strengthens customer trust with its corporate sustainability and social responsibility management systems.	○	○				○
	Sustainable Supply Chain	Wistron leverages its procurement influence to assist suppliers to improve in five major aspects, including labor, health and safety, environment, ethics, and management.			○	○	○	
	Information Security	Identify information security risks, conduct training on information security management-related policies, enhance overall information security, and strengthen the organization's resilience to information security incidents and threats.	○	○				○
 Innovation	Product Development and Innovation	By integrating sustainability with innovation, Wistron embeds sustainable thinking into the design process, minimizing the environmental impact of its products and leveraging technology to enhance quality of life.	○	○	○			○
	Circular Economy	Provide green recycling services from cradle to cradle, utilize environmentally friendly materials, reduce plastic usage, embody the concept of technical cycle.	○	○	○	○		○
	Green Products	Wistron's product design not only avoids the use of hazardous raw materials but also enhances product performance and simplifies disassembly or recycling, thereby minimizing environmental impact.	○	○	○	○		○

○: source of impact

• Material Topics and Risk Management

Material Topics	Potential Risks	Risk Level	Risk Reduction and Response
Climate Strategy and Energy	• High energy consumption equipment	●	<ul style="list-style-type: none"> • Improve energy-saving technology and implement international management standards ISO 50001 and ISO 14064-1. • Review the current use of renewable energy and work with third-party companies for purchase. • Establish an environmental management team and conduct environmental management meetings regularly.
	• Insufficient renewable energy	●●	
	• Drop in rating	●●	
Water Resource Management	• Drought	●●	<ul style="list-style-type: none"> • Implement day-to-day water conservation practices and set medium and long-term water management targets, conduct simulations for water shortage scenarios, and collaborate with local water supply companies.
Air Pollution and Waste	• Failure to comply with waste management regulations	●●●	<ul style="list-style-type: none"> • Identify environmental regulations and implement ESH management policies.
Diversity, Equity, and Inclusion	• Failure to provide a work environment of diversity, equity, and inclusion. Occurrences of discrimination or harassment.	●●	<ul style="list-style-type: none"> • Adjust management mechanism, implement DEI policies, conduct anti-harassment /DEI training to raise awareness, and establish a grievance platform.
	• Violation of local labor law	●●●	
Talent Attraction and Retention	• Overtime hours exceed the limit prescribed by labor law	●●	<ul style="list-style-type: none"> • Establish regulatory compliance mechanism, including compliance framework, management guidelines, self-reviews, monitoring, and educational training. • Supervisors can use APP to track employee work hours. The system sends supervisors email notifications in case of irregular work hours. • Monitor manpower status with the manpower allocation dashboard. Track the unfilled rate of vacancies on a quarterly basis. • Tally and review at the end of March every year. • Review salary data of market and competitors. • Make recommendations to supervisors regarding annual pay raise and variable compensation approval based on performance results.
	• Lack of human resource planning	●●	
	• Incorrect amount of contribution to the pension fund reserve	●●	
	• Lack of benchmarking on salary levels against market practices and competitors	●●	
	• Performance and compensation scheme are only partially linked	●●	
Talent Cultivation and Development	• Lack of a comprehensive program for the continual enhancement of employee competitiveness	●●	<ul style="list-style-type: none"> • Offer training courses tailored for management functions and continuously optimize new employee training programs. Provide current and relevant training on topics such as industry technology, digital transformation, and ESG. Design a training roadmap for each professional category and expand resources for self-development courses.
Occupational Health and Safety	• Major emergency response procedures not effectively implemented	●●	<ul style="list-style-type: none"> • Conduct emergency response related training, establish emergency management procedures, review by third-party external audit institutions. • Periodically conduct regulatory inventory checks and develop occupational safety, health, and environmental policies and management systems in accordance with international standards, namely ISO 45001 and ISO 14001.
	• Failure to comply with environmental, health and safety regulations	●●●	
	• Emerging epidemic diseases spread rapidly	●●●	
	• Frequent changes of ESH ISO45001 manager	●●	
Business and Human Rights	• Failure to adjust employee employment procedures in response to regulatory changes	●●●	<ul style="list-style-type: none"> • Raise awareness on internal policies and relevant regulations, with auditors periodically conducting regulatory compliance reviews. • Complete a comprehensive human rights due diligence management cycle annually, and establish consistent cultural and behavioral standards across the group to effectively manage and reduce human rights risks. • Incorporate supplier evaluation into CSR requirements, conduct supplier SAQ periodically, and establish a supplier status check mechanism.
	• Inadequate human resources due diligence	●●●●	

Material Topics	Potential Risks	Risk Level	Risk Reduction and Response
Public Welfare and Charity	• Social investment not linked to ESG policies	●	• Implement a system for compiling information so that offices and factories worldwide may regularly upload community development investment plans and implementation results. Compiled information will then be reported in the annual ESG report.
	• Charity events lack systematic organization	●	
Corporate Governance	• Geopolitics	●●●	<ul style="list-style-type: none"> • Diversify manufacturing site locations across the globe and enhance the localization rate of the supply chain. • Ensure smooth communication between board members and senior executives, and stay abreast of board members opinions. • The board and its functional committees undertake regular performance evaluations, ensuring that board meeting dates are scheduled appropriately. • Corporate sustainability and CSR policies have been adopted and incorporated into day-to-day operations. • Personnel adjustment processes comply with or exceed the standards required by law. Establish communication mechanism between the company, investors and customers.
	• Resignation of independent directors	●●	
	• Low attendance rate among directors	●●	
	• Lack of regard for ESG, resulting in market share loss and damaged image	●	
Risk and Crisis Management	• Relocation of factory sites requiring personnel changes and resulting in employee grievances	●	<ul style="list-style-type: none"> • Stay abreast of trends in sustainable development, identify material topics of concern to stakeholders annually, and disclose them in accordance with regulations or international standards. • Monitor changes in regulations or guidelines, strengthen personnel training, and make timely corrections.
	• Failure to adequately disclose material topics of concern for stakeholders as required by regulations	●●	
Customer Relations	• Matters disclosed in statutory reports lack accuracy, timeliness or completeness.	●●	<ul style="list-style-type: none"> • Verify progress with customer weekly, communicate with manager of the customer side periodically, and identify the cause in case of customer complaint and actively make improvements. • Technical team assists business team to review and improve operating procedures for services.
	• Unable to meet customer requirements due to production site relocation	●●	
Sustainable Supply Chain	• Customer perceives a lack of professionalism in the point of contact.	●●	<ul style="list-style-type: none"> • Incorporate supplier evaluation into ESG requirements, conduct supplier SAQ periodically, and establish a supplier status check mechanism. • Review carbon emissions of suppliers, assist suppliers in setting carbon reduction targets, and coach suppliers in implementing carbon reduction practices. • Regularly review raw materials stock level, and implement raw materials allocation system.
	• Supplier fails to cooperate and comply with CSR regulations.	●●	
	• Supplier fails to adopt carbon reduction plans.	●●	
Information Security	• Raw material shortages of supplier	●●	<ul style="list-style-type: none"> • Provide training to employees of suppliers, check information security management related procedures and risk identification through ESG, and devise confidential information protection measures. • Establish a regulatory compliance management mechanism, strengthen internal regulations and relevant laws, enhance privacy feedback and reporting channels, raise awareness and conduct educational training. • Require employees to comply with NDA terms between company and customers, manage sensitive information with information systems, conduct training drills for social networks, and prohibit employees from using USB flash drives. • Review and improve the company's current confidential document management mechanism.
	• Lack of information security awareness in supplier's employees	●●	
	• Lack of privacy and safety regulation awareness in employees	●	
	• Company information leakage	●	
Product Development and Innovation	• Customer product information leakage	●	<ul style="list-style-type: none"> • Regularly evaluate the synergy created by new technologies to ensure the effectiveness of introducing new technologies, establish new businesses or forward-looking units to introduce new technologies, and transform innovative technology into intellectual property (IP).
	• Due to the ODM model of customers, advanced technologies cannot be effectively applied, delaying the development of new products or services.	●●	
Circular Economy	• Organization lacks relevant policies and appropriate methods to manage waste and closed-circuit production.	●●	<ul style="list-style-type: none"> • Define organizational responsibility and sustainable development policies, and consolidate organizational resources and strategies for the collaborative implementation of policies.
	• Poor product life cycle management	●	
Green Products	• Products do not comply with international environmental regulations and customer's hazardous substance regulations.	●●	<ul style="list-style-type: none"> • Establish a product development management mechanism to monitor, report, and improve product development status/progress at any time. • Re-examine regulations and customer standards regularly to revise internal regulations. • Work with benchmark customers regularly to design product/technology development roadmap and product specifications.