



wistron

2024 Climate and Nature Report



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1. Climate & Nature Governance

1.1 Governance & Management Framework

1.2 Decarbonization Pathways & Strategies

1.3 Resource Optimization

1.4 Linking Compensation with Sustainability Performances



Mountain Hawk-Eagle

The mountain hawk-eagle is the most robust resident raptor in Taiwan. Due to its habitat in deep, primitive forests, it is rarely seen by the general public and is one of the rarest raptors in Taiwan. Wistron enhances public awareness and support for ecological protection through long-term conservation efforts.



1. Climate & Nature Governance

Climate change has led to increasing disasters from extreme weather events, rising global temperatures, and degenerating ecosystems. Such changes have not only threatened our environment, but also impacted the stability of our economies and societies. Corporations are integral members of the global economy. However, corporations emit not only greenhouse gases but also other pollutants such as toxins and waste into the air and water. Coupled with our consumption of natural resources, corporations pose stress on the environment. As such, we must shoulder responsibilities accordingly and undertake ambitious action to address the risks of climate change and biodiversity loss.

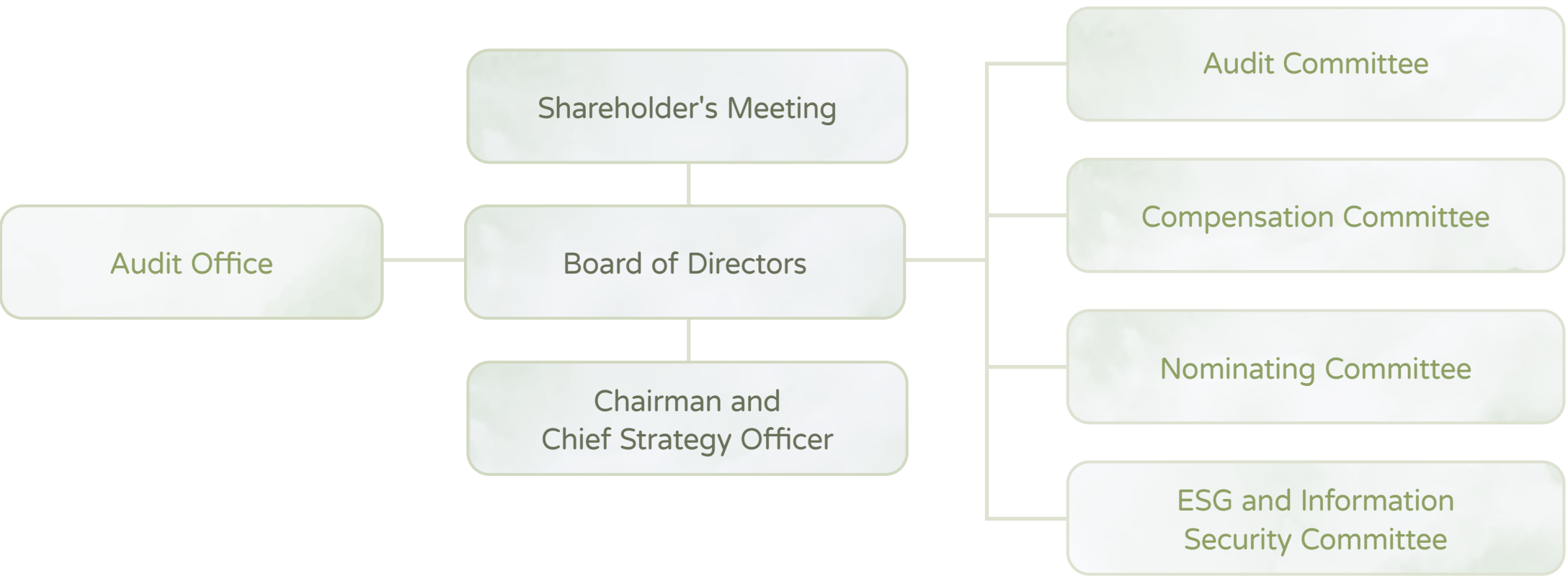
Wistron is keenly aware of the importance of climate change and ecological impacts on sustainable corporate management. As such, we have incorporated climate risk management and biodiversity conservation into our operational strategies. We are committed to implementing mitigation and adaptation measures to reduce carbon emission, strengthen climate resilience, and facilitate sustainable development in our natural ecosystems. For mitigation, Wistron is actively promoting energy transitions, enhancing energy efficiency, and developing low-carbon technologies. We are also leveraging science-based emissions reduction targets and renewable energy strategies to reduce carbon footprints across our operations and supply chain. For adaptation, we have strengthened risk assessment mechanisms and introduced climate risk management frameworks to ensure operational sustainability. We are also collaborating with suppliers and stakeholders to tackle climate challenges together.

This report adheres to the guidelines set forth by the Task Force on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD) to disclose Wistron's strategies, governance, risk assessment, and performance indicators for climate and nature-related risk management, demonstrating our commitment and efforts toward sustainable development. Through this report, we seek to work together with our stakeholders to build a low-carbon and resilient world where biodiversity thrives.



1.1 Governance & Management Framework

Wistron is a Taiwan Corporate Governance 100 Index constituent stock and is among the 95th percentile according to the Corporate Governance Evaluation. We have long been committed to building an effective corporate governance framework to protect shareholder interest, strengthen board functions, respect stakeholder rights, and enhance transparency for better compliance. To such ends, Wistron has gradually rolled out several systems and measures to continue improving the quality and efficacy of our corporate governance in further pursuit of maximizing shareholder interests and sustainable operations.



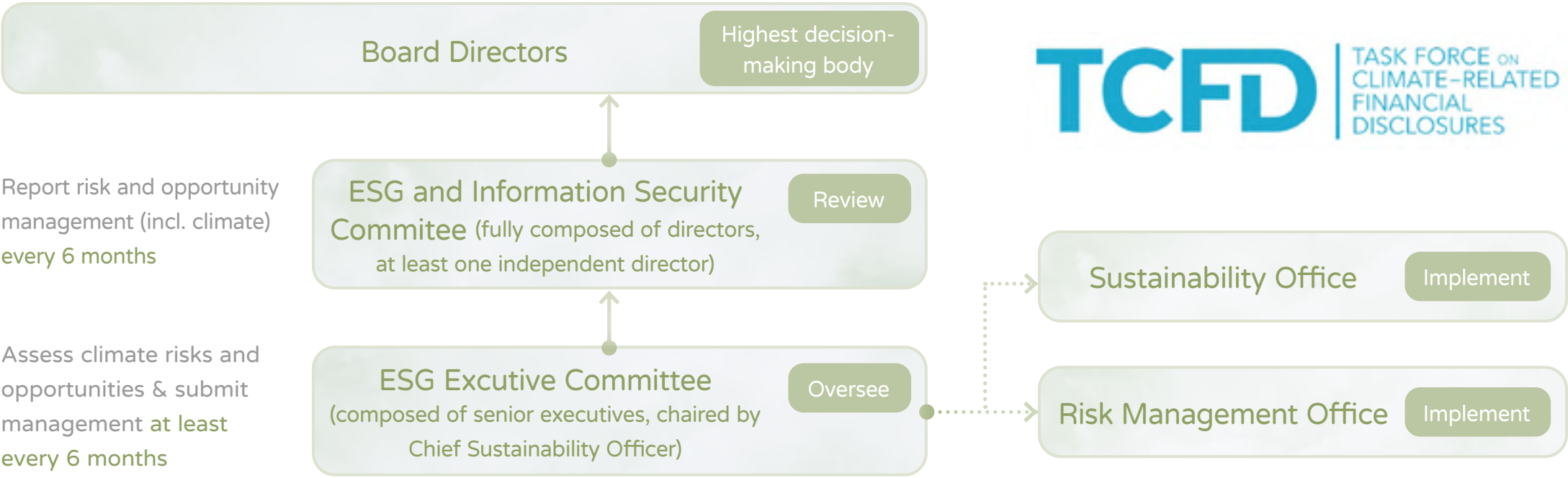
The Wistron Board of Directors is the highest governing body at Wistron. Board members are responsible for overseeing the management team's regulatory compliance and enhancing transparency. In addition to leveraging their own experience to offer guidance to the management team during major decisions, the Board also prevents poor decision-making from damaging the company brand. The Board builds sound ethics and enforces corporate responsibility to ensure sustainable operations and safeguard shareholder interests. The management team also reports regularly to the Board on company operations, development strategies, and sustainability matters (e.g., sustainability projects, ethical management, information security, material topics, and stakeholder communication) to ensure open communication with the Board. In compliance with guidelines, the Board meets quarterly and convened ten meetings in 2024. The Board's average attendance was 99%, exceeding Wistron's requirement of an annual average attendance of 80%. To bolster the Board's oversight and management functions, Wistron has established an Audit Committee, Compensation Committee, Nominating Committee, and ESG and Information Security Committee under the Board. For more information, please refer to [Wistron's annual report](#).

Committee	Function	Members	Attendance (excl. proxy)	Major Resolutions
Audit Committee	Oversees the fair presentation of Wistron's financial statements; the appointment, dismissal, independence, and performance of Certified Public Accountants; the effective implementation of internal controls; compliance with applicable laws and regulations; and the control of existing or potential risks.	Independent Director Mr. Chien-Hsin Chuang, Independent Director Mr. Jack Chen, Independent Director Mr. S.J. Paul Chien, Independent Director Ms. Pei-Pei Yu, Independent Director Ms. Mei-Ling Chen	100%	- Annual & quarterly financial statements - Major investment projects - Major loans, endorsements & guarantees - Risk management reports
Compensation Committee	Establishes and periodically reviews the policies, systems, standards, and structures for performance evaluation and compensation of directors and managers, and regularly evaluates and sets the compensation for directors and managers.	Independent Director Mr. S.J. Paul Chien, Independent Director Mr. Jack Chen, Independent Director Ms. Pei-Pei Yu	100%	- Recommendations on director remunerations - Recommendations on performance bonuses & salary adjustments for managers - Recommendations on percentage of management salary to employee salary
Nominating Committee	Selects and reviews qualified candidates for directors, managers, and members of Board committees, and establishes and reviews the structure and operation of Board committees.	Chairman Mr. Simon Lin, Independent Director Mr. Jack Chen, Independent Director Ms. Pei-Pei Yu, Independent Director Ms. Mei-Ling Chen	100%	- Nominated Board candidates - Organized training for directors
ESG and Information Security Committee	Establishes corporate social responsibility and sustainability directions and targets, formulates related management policies and specific implementation plans, and monitors and reviews progress and performance. Promotes and enforces actions related to business integrity and risk management.	Director, President & CEO Mr. Jeff Lin, Director Philip Peng, Independent Director Ms. Mei-Ling Chen	91%	- Reviewed progress to sustainability targets & set future goals - Established Wistron's "Sustainable Materials Policy," "Sustainable Procurement Policy" & "Nature and Biodiversity & No Deforestation Policy" - Amended Wistron's "Code of Conduct," "Environmental Policy," "ESG Committee Charter" & "Sustainable Development Best Practice Principles" - Reported on material topics on sustainability & stakeholder engagement - Reported on ethical management & information security - Compiled progress report on subsidiaries' GHG inventory & verification timelines
Note: Wistron's Corporate Sustainability Committee was renamed the ESG and Information Security Committee on April 2, 2025. The composition of the committee was also adjusted. The committee was formerly composed of senior executives and independent directors, but now consist of directors and at least one independent director.				

As a citizen of the world, Wistron is actively supporting global net zero trends by taking climate action and aligning with international standards to increase the transparency of our climate governance. To effectively manage climate risks and opportunities, Wistron communicates with stakeholders on climate issues, leveraging an international framework - the Task Force on Climate-related Financial Disclosures (TCFD). In 2021, Wistron officially signed on as a TCFD Supporter. In addition to climate-related disclosures, we have also established risk and opportunity metrics and targets to continuously enhance management and disclosure quality. Our internal management processes include annual reporting of climate-related management indicators and response actions to the Board through the Corporate Sustainability Committee.

The Board serves as the highest governance body for climate change, water resources, biodiversity, and nature-related matters. It is responsible for steering overall execution strategies and supervising senior management in managing climate- and nature-related risks and opportunities, as well as monitoring key performance indicators. As a functional committee serving directly under the Board, the ESG and Information Security Committee is comprised 100% of directors and includes one independent director. The ESG Executive Committee established under the ESG and Information Security Committee is co-chaired by the President & CEO as well as the Chief Sustainability Officer and responsible for overseeing and managing sustainability issues. In 2022, in line with the group's decision, we formally adopted Enterprise Risk Management (ERM) mechanisms, integrating operational and sustainability risks and opportunities in compliance with the company's "Risk Management Policy and Procedure." Under the mechanism, the Risk Management Office and Sustainability Office will regularly review sustainability risks and opportunities as well as response measures in the environmental, social, and corporate governance dimensions. This includes but is not limited to our progress in climate change, water resources, biodiversity, and nature-related issues as well as identification of and response measures to emerging risks. In particular, the Chief Sustainability Officer will report to the ESG and Information Security Committee on sustainability-related issues (incl. climate, water, species, and nature) at least twice annually.

The Risk Management Team conducts an annual comprehensive assessment and analysis of various risk scenarios, including those related to climate, for risk identification, risk analysis, risk evaluation, risk response and monitoring, and risk reporting and disclosure. Units responsible for risks are required to assess the identified risk scenarios, propose improvement plans based on the residual risk levels after evaluation, and develop risk response and adaptation strategies, which are incorporated into the annual enterprise risk management report. For the identified material climate- and nature-related risks, corresponding Key Risk Indicators (KRIs) are to be established in accordance with Wistron's risk management process to enable real-time tracking and monitoring. This systematic approach ensures that senior management can continue to maintain oversight of climate- and nature-related issues and targets.



1.2 Decarbonization Pathways & Strategies

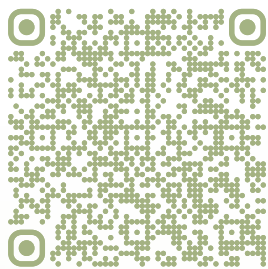
To promote sustainability strategies, we have established dedicated task-based teams for four out of Wistron's Six Sustainability Strategies: "Sustainable Supply Base," "Green Products," "Recycling," and "Decarbonization." The teams integrate global units across the group to promote sustainability and net-zero projects, covering the entire value chain, from supply chain management to Wistron operations to customer collaboration, thereby comprehensively strengthening the company's sustainability resilience to address future challenges. The Sustainability Office, under the President & CEO, is responsible for integrating and rolling out sustainability strategies. Each month, the Sustainability Office reports to the President & CEO on the progress of sustainability strategies and projects targeting climate and nature issues. At least once every 6 months, the Office also reports to the ESG and Information Security Committee as well as the Board on related progress and future plans.

For our annual identification and analysis of climate risks and opportunities, we also offered training and climate workshops this year, taking the opportunity to bring in third-party professional mapping data and geographic information systems (GIS). Several physical climate scenarios were also applied, including SSP1-RCP2.6, SSP2-RCP4.5, SSP3-RCP7.0, and SSP5-RCP8.5. Using four-time horizons - short term (1-3 years), medium term (4-5 years), long term (6-10 years), and up to the end of the century - we conducted scenario analyses of physical climate risks across our global value chain, including upstream suppliers, Wistron operations, and downstream sites and activities. Based on these analyses, corresponding risk adaptation plans were developed for both domestic and overseas locations. For transition risks, Wistron simulated decarbonization transition stressors under various scenarios, adopting assumptions such as domestic regulations, corporate commitments, IPCC temperature, and net-zero targets. These assessments estimated potential quantifiable financial impacts and residual risks arising from external pressures and trends, and projected management costs to support the planning of future transition roadmaps.

1.3 Resource Optimization

We are committed to mitigating our impact on the ecosystem by continuously improving our activities, products, and services, and by promoting biodiversity conservation and reforestation initiatives. Starting from within the company, we also call for our value chain and operating sites to avoid any acts of deforestation. We continue to plan for avoidance, minimalization, restoration, and biodiversity offsets as steps toward our goal. We are also systemically introducing Nature-based Solutions (NbS) and striving toward the shared goals of No Net Loss (NNL) and Net Positive Impacts (NPI).

To support the Global Goal for Nature and continue to spotlight our ecological environment, respect the ecological balance, and protect endangered species, Wistron started developing methodologies and indicators to assess our reliance and impact on nature and biodiversity. In addition, we also developed related work goals. We are committed to becoming Nature Positive by 2050. In the meantime, we have also set a code of conduct for suppliers to prevent biodiversity loss and deforestation. The code covers topics such as environmental protection, banning of deforestation, protection of natural habitats, and preventing soil pollution.



Wistron Nature and Biodiversity &
No Deforestation Policy

Circular Economy

As one of the biggest global suppliers of ICT products, Wistron is dedicated to product research, design, manufacturing, and services. Sustainability design and development for products revolve around the concept of the product life cycle. From the acquisition of raw materials to manufacturing, delivery, use, and disposal/recycling, sustainability design and development aims to reduce a product's impact on the environment, create sustainable value, and ensure resources can be used sustainably, thereby creating a sustainable operations model grounded in recycling. Since 2013, Wistron's green resources business has been providing brand customers with green recycling and circular services, implementing a closed-loop cradle-to-cradle system and seizing opportunities arising from climate change to maximize the benefits of the circular economy.

Recycling Business Group Performance

Item	2021	2022	2023	2024
Disposal of electronic waste (t)	7,300	4,660	4,360	4,319
PCR plastic materials shipping volume (t)	26,288	21,577	18,035	20,176
Reduction in use of new plastics (t)	11,131	11,047	9,471	12,586
Recycling Business Group Total Revenue (million)	1,468	1,145	997	1,009
Cost invested	137	136	126	130
Note: Recycling Business Group Total Revenue = Revenue of Wistron GreenTech (Texas) Corporation + Revenue of Wistron Advanced Materials (Kunshan) Co., Ltd.				

Supplying Post-Consumer Recycled & Eco-Friendly Materials

In 2024, our shipments of post-consumer recycled (PCR) eco-friendly materials reached 20,176 metric tons, with 12,586 metric tons of raw materials sourced from recycled electronic waste. The decarbonization benefit, estimated using Simapro and database emission factors for recycled plastics, is equivalent to approximately 57,665 metric tons of CO₂e emissions reduced. As of 2024, Wistron has obtained a cumulative total of 21 UL Yellow Cards for products¹. Applications of recycled plastics have also expanded from monitors, desktop computers, and televisions to include routers, servers, mice, keyboards, and fans.

Note : *The UL Solutions Yellow Card Plastics Recognition Program is a global program that ensures the safety and quality of plastic products, helping companies demonstrate that their plastic materials meet a comprehensive set of specific performance evaluation certifications (Learn [more](#)).

Category	2024 Shipments (t)	2024 PCR Addition Amount (t)	2024 PCR Addition Ratio (%)	2024 Carbon Emission Reduction (tCO ₂ e)
Recycled ABS Series	12,907	9,049	70	34,700
Recycled PC/ABS Series	3,474	1,684	48	14,791
Recycled HIPS Series	1,527	1,247	82	4,050
Recycled PC Series	916	481	53	3,644
Recycled Marine Material Series	147	125	85	481
Others	1,205	0	0	0
Total	20,176	12,586	62	57,665

Raw Materials & Technological Innovation

In the past ten plus years, the green resources team has been dedicated to recycling and reuse services for electronic waste, developing new materials and expanding product applications for Wistron and OEM customers to support the circular economy. For example, applications of flame-retardant PCR PC products (with high PCR levels) in adaptors

have obtained UL RTI 125 °C certification; low-temperature impact resistance PCR PC/ABS products and strong weather-resistant PC/ASA products now consist of 50% PCR and have been applied to NB and server components; and PBT+GF materials are now applied to automotive connectors.

Item	Raw Material/Technology	Characteristic & Environmental Impacts
Recycled Materials	PCR PC/ABS+Talc for NB Housing	In 2024, Wistron began applying 50% PCR materials in notebook chassis.
	Recycled Metals	In 2024, 80% recycled aluminum was introduced into AI notebook products, 50% recycled steel into AI servers, and 75% recycled plastics into rugged handheld devices.
Technological Innovation	Lithium Battery Recycling	In 2024, installation and testing of black mass production equipment recycled from waste lithium battery were completed, with a capacity expected to reach approximately 1,000 metric tons of waste lithium batteries annually starting from Q1 of 2025. In 2024, battery sorting technology was developed to enable preliminary size-based sorting of batteries with different chemical compositions, allowing for more accurate and efficient battery recycling.

In recent years, stakeholder concerns have largely focused on climate risks, and biodiversity loss has gradually emerged as a key area of significant impact and attention as well. Wistron’s global manufacturing sites and offices are not located in environmentally protected areas, regions of high biodiversity value, or restored habitats. There are no species listed as endangered under the International Union for Conservation of Nature (IUCN) Red List or national conservation lists present within our sites. In addition, environmental impact assessments are conducted in accordance with local environmental regulations at each site to avoid operational activities that could harm biodiversity conservation. We actively adopt environmentally friendly technologies to reduce pollution and strictly comply with environmental regulations, implementing annual monitoring to ensure that wastewater, waste gases, waste treatment, and noise pollution meet legal requirements. In Taiwan, we further collaborate through the Wistron Foundation with like-minded non-profits to engage with local communities and stakeholders on nature conservation projects.

1.4 Linking Compensation with Sustainability Performances

To motivate senior executives, key professionals, and all employees to value their long-term and comprehensive performance and achieve sustainable operations, starting in 2022, we have linked the goals of the Six Sustainability Strategies and key performances attached to material sustainability issues with the short-term and long-term bonuses of our President & CEO, other senior executives, and heads of business units. This ensures that sustainability is incorporated into the company's performance. The President & CEO's sustainability-related indicators include developing green products with recycled materials and expanding into the waste battery recycling industry to address climate change as well as increase renewable energy use and energy efficiency at Wistron to reduce carbon emissions in compliance with the SBTi and achieve the 1.5° C reduction target. For sustainable and responsible procurement, indicators focus on supporting suppliers improve their decarbonization abilities. For the social dimension, indicators include reducing occupational disasters and strengthening employee engagement. These indicators are tasked to senior executives responsible for the Six Sustainability Strategies as well as corresponding business unit heads for implementing and setting targets.

Sustainability Performance Indicators			President & CEO	Business Unit Managers (incl. main BG head)	Executive Officers (incl. 6 Pillar Owners)
Governance	Sustainable Supply Chain	Enhance the greenhouse gas inventory and energy management capabilities of high-energy-consuming suppliers	3%	15%	6%
Environment	Green Products/ Product R&D and Innovation	Drive revenue through product innovation and increase the proportion of recycled or renewable materials in products	4%	15-25%	30%
	Circular Economy	Increase the use of recycled plastics and commercialize battery recycling solutions	1%	10%	10%
	Climate Strategy and Energy Management	Efficiency in electricity	–	10%	15%
		Increase in the use of renewable energy and energy efficiency	10%*		
	Water Resource Management	Water usage intensity	–		
	Waste	Waste generation intensity	–		
Social	Talent Attraction and Retention	Increase employee engagement and reduce turnover rate	1%	10-15%	10%
	Occupational Health and Safety	Reduce occupational injuries and increase employee satisfaction	2%	10%	10%
	Customer Relations	Customer satisfaction rate	–	10-15%	–
Note: *Composed of 4% from President & CEO and 6% from Chief Sustainability Officer					
represented in weight					

2. Wistron & Climate

2.1 Risks & Opportunities

- 2.1.1 Identification of Climate Risks & Opportunities
- 2.1.2 Management of Climate Risks & Opportunities

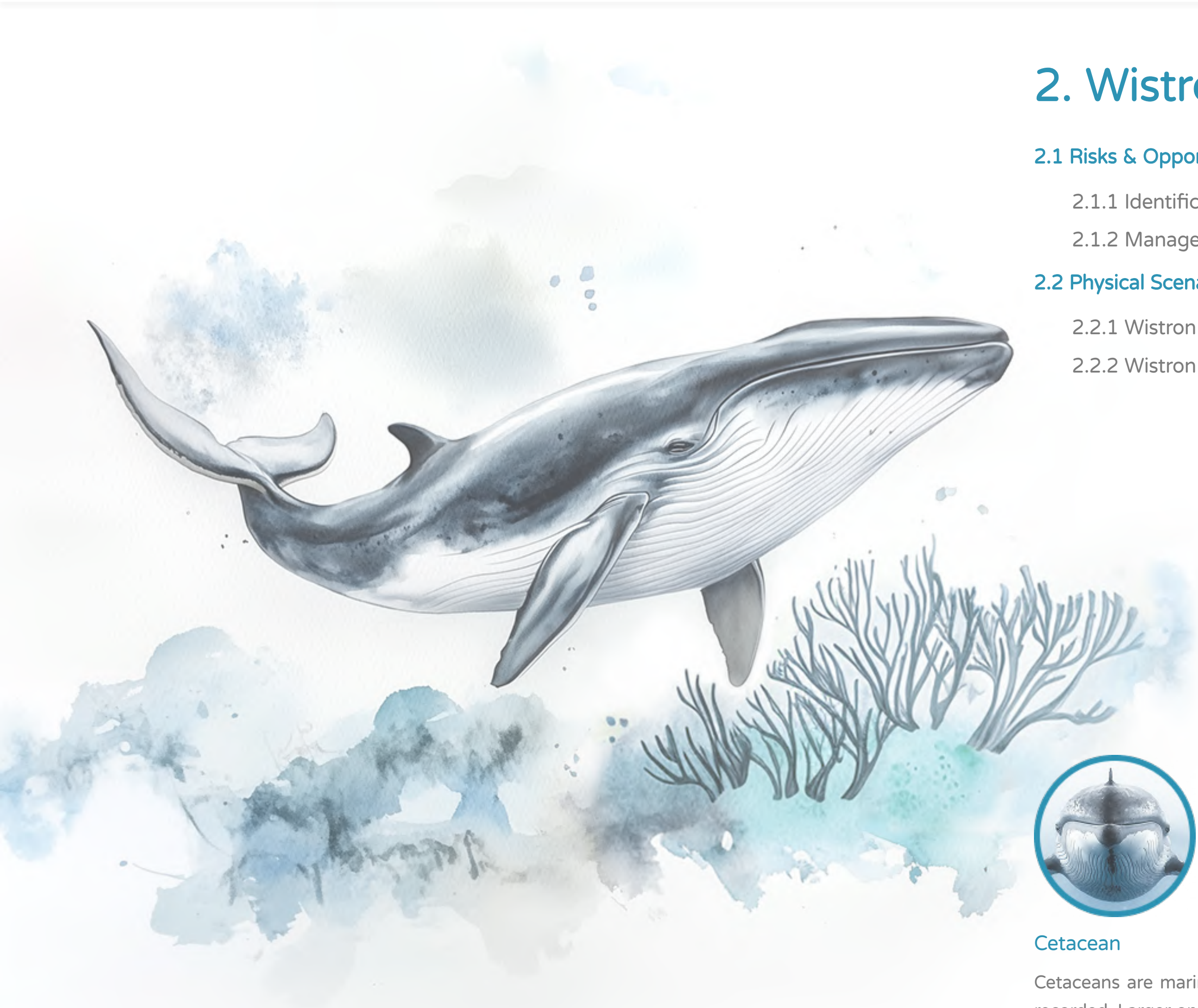
2.2 Physical Scenario Analysis

- 2.2.1 Wistron Locations in Taiwan
- 2.2.2 Wistron Global Locations

2.3 Transition Scenario Analysis

- 2.3.1 Scenario Selection
- 2.3.2 Definition of Scope & Target
- 2.3.3 Assessment of Corporate Strategies Under Different External Scenarios

2.4 Climate Targets & Visions



Cetacean

Cetaceans are marine mammals. There are many species of dolphins and whales in the waters around Taiwan, with about 30 species recorded. Larger ones are called whales, and smaller ones are called dolphins. Wistron has been raising public awareness and support for ecological conservation through long-term conservation work.



2. Wistron & Climate

As our world advances toward sustainability, the role of corporations is no longer limited to economic growth. We must take the initiative in addressing risks and opportunities presented by climate change. As a leading player in the global Electronics Manufacturing Services (EMS) sector, Wistron fully recognizes the profound impacts of climate change on our operating environment, supply chain stability, and customer demand. Therefore, we not only integrate climate-related risks into our enterprise risk management framework but also actively formulate response strategies to reduce our carbon footprint and enhance climate resilience.

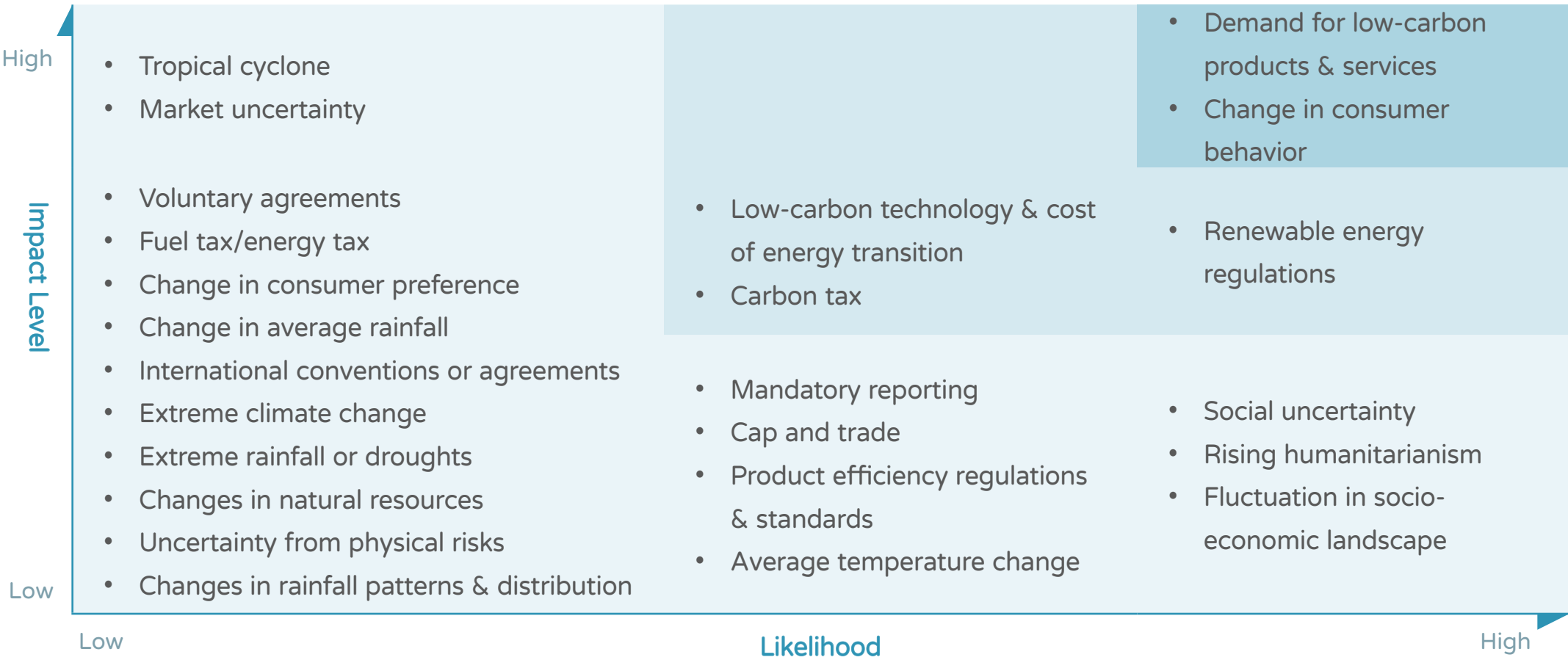
2.1 Risks & Opportunities

2.1.1 Identification of Climate Risks & Opportunities

The management process of risks and opportunities associated with climate and water resources have been integrated into our ERM planning. Results from ERM investigations help identify and manage material risks, with management measures including whether to transfer risks (if applicable) or leveraging mitigation activities to control risks. At Wistron, we also refer to the TCFD framework and risk items on CDP's climate change and water safety surveys. Each year, we conduct site-specific identification of transition and physical risks at all operating sites and factories around the world. All results are then sent to headquarters for compilation and analysis of the scale and scope of global impacts, which then guide corresponding strategies and actions. In line with our ERM risk management procedures, we also use a Risk Map to help analyze the likelihood and impact level of any potential risks and emerging risks. Across a timeline from the reporting year to the end of this century, we assess short-, medium-, and long-term risks (short-term: 1-3 years; medium-term: 4-5 years; long-term: 6-10 years) and opportunities, based on factors such as asset lifespan, potential climate risks, and operational sectors and regions. This evaluation covers potential threats to our future operations (including upstream and downstream activities and our own operations). We then assign risk and opportunity ratings, identify their priorities, and present the results in a risk and opportunity matrix. Risks associated with climate and water risks include transition risks such as existing regulations, emerging regulations, litigations, markets, goodwill, and technologies, while physical risks include immediate and long-term physical risks. Opportunities associated with climate and water risks include resource efficiency, energy sources, products and services, and market and resilience. Those identified as medium or high risk are listed as significant risks that require prevention measures and mitigation plans.



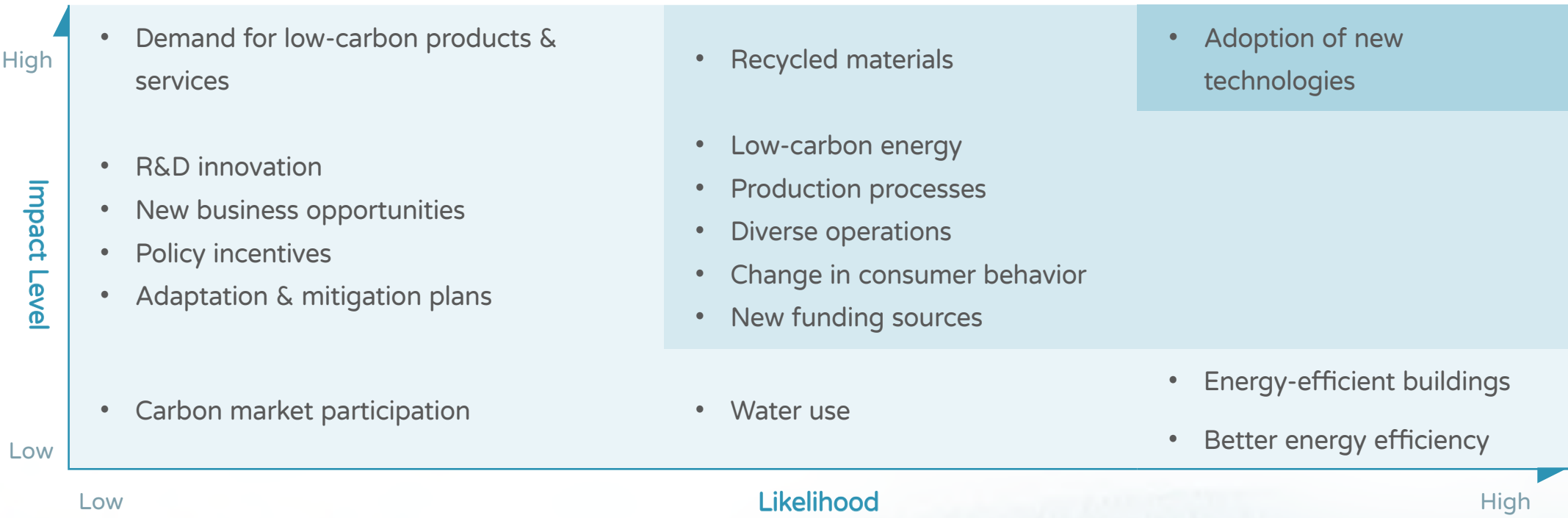
Climate Risk Matrix



Water Risk Matrix



Climate Opportunity Matrix



Water Opportunity Matrix



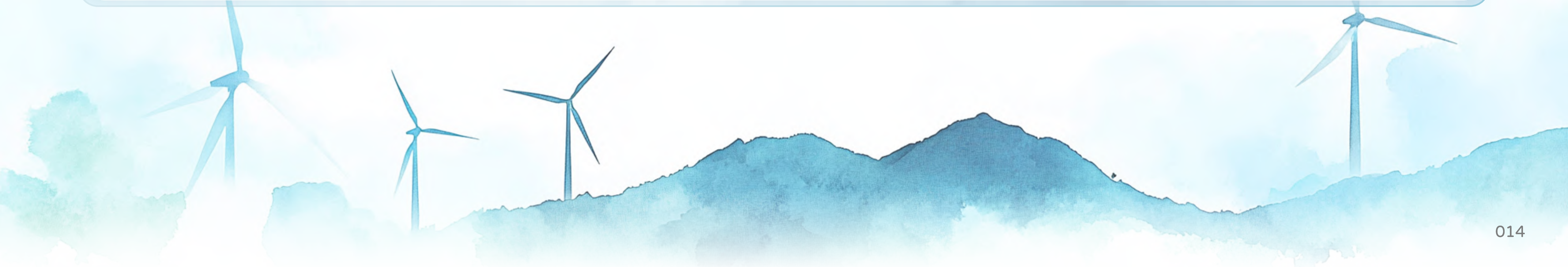
2.1.2 Management of Climate Risks & Opportunities

Financial Impact Analysis of Climate Risks

Type	Dimension	Source	Description	Scope	Impact Type	Impact Level	Time Horizon	Likelihood	Financial Impacts	Approach	Costs
Transition	Innovation	Demand for low-carbon products & services	Wistron will have to actively invest in developing low-carbon products to align with market trends and increase competitiveness in the face of rising market and customer demand for low-carbon products.	Upstream/Supply Chain Downstream/Users	Increased R&D costs	High	Long-term	Certain (>99%)	If product specifications fail to meet environmental standards (ES), Wistron's PC products may lose EPEAT certification, causing customers to cancel orders. This could lead to a potential revenue loss of approximately NT\$100-300 billion.	Enhance supply chain partners' understanding of low-carbon raw materials by developing a series of ESG training programs. Communicate cost differences based on technical knowledge. Continue investing in R&D to ensure PC products meet the latest ES standards.	2024 PC R&D cost: approx. NT\$1-5 billion.
Transition	Market	Change in consumer behavior	Market and end-user demand for low-carbon and energy-efficient products is increasing, with preferences shifting toward low-carbon alternatives. Despite a broad existing customer base, there remains a risk of customer attrition. Strategic adjustments to our product portfolio are required to maintain competitiveness.	Downstream/Users	Loss of existing customers Rising R&D costs	Medium-High	Long-term	Very Likely (>90%)	Revenue from non-low-carbon products is expected to decline over the next three to five years. By 2027, if there are no management measures implemented, total revenue of non-low-carbon products may drop by approximately NT\$20 billion.	Earmark R&D expenses for supporting customers in obtaining environmental labels such as Energy Star, EPEAT, TCO, Taiwan Green Mark, and China Environmental Labeling.	2024 low-carbon product R&D cost to assist customers obtain environmental labels: approx. NT\$2-3 billion.
Transition	Regulatory	Renewable energy regulations	Work with affiliates to develop solar power, purchase renewable energy, or purchase RECs. The contracted capacity of our Zhubei AI Plant is 25,000 kW, and will be subject to the Renewable Energy Development Act.	Upstream/Supply Chain Own Operations	Increased direct costs Increased indirect costs Rising energy prices	Medium	Medium-long term	Very Likely (>90%)	(>90%) Potential penalties or fees due to failure to meet mandatory renewable energy requirements may increase expenditures by approx. NT\$5 million.	Implement renewable energy management measures in compliance with regulations.	2024 costs for on-site generation, renewable energy PPAs, and I-REC procurement: approx. NT\$60 million.

Financial Impact Analysis of Climate Risks

Type	Dimension	Source	Description	Scope	Impact Type	Impact Level	Time Horizon	Likelihood	Financial Impacts	Approach	Costs
Transition	Regulatory	Carbon tax	Although operations/products are not within the initial CBAM (Carbon Border Adjustment Mechanism) scope, potential cost increases from domestic and international regulations remain. Based on projected 2030 electricity usage, emissions will be around 30,000 tonnes. However, the group has declared a net-zero goal by 2030, thus expected emissions will remain below regulatory thresholds.	Own Operations Upstream/Supply Chain	Increased direct costs Increased indirect costs Rising raw material prices	Low to Medium	Short-term	Possible (33%-50%)	Estimated indirect revenue decline of approx. NT\$4.4-9 billion due to carbon tax implications.	1. Assess the impact of domestic and international carbon regulations and plan internal carbon pricing accordingly; management costs include external consultant and internal labor costs 2. Increase the share of renewable energy	External consulting and implementation cost of internal carbon pricing according to impact assessment of domestic/international carbon regulations: approx. NT\$2.3 million.
Transition	Innovation	Low-carbon technology & cost of energy transition	Develop and adopt low-carbon transition technologies. Through technological innovation and process improvement, reduce energy use and carbon emissions during operations to enhance Wistron's resilience and competitiveness.	Own Operations Upstream/Supply Chain	Increased R&D costs	High	Long-term	Certain (>99%)	Failure to optimize production processes in the face of transition risks associated with low-carbon technologies will increase electricity use and related costs, leading to an additional 300 MWh consumed from 2025 to 2027, incurring extra costs of approx. NT\$2.47 million.	Plan to implement process optimization (hardware and software upgrades) and energy-saving measures in 2025.	Capital investment for process optimization across global locations: approx. NT\$0.5-1.0 million.



Financial Impact Analysis of Climate Opportunities

Dimension	Source	Description	Scope	Impact Type	Impact Level	Time Horizon	Likelihood	Financial Impacts	Approach	Costs
Energy source	Adoption of new technologies	Conducting high-altitude wind power verification projects to expand renewable energy types. Investing in green energy funds, developing energy-saving technologies for new products, and reducing energy consumption.	Upstream/ Supply Chain Own Operations	Investment opportunities New products or services Increased competitiveness	High	Long-term	Certain (>99%)	Revenue from products using recycled materials increased by approx. NT\$104 billion. Green certificates acquired from investing in green energy funds has reduced costs by approx. NT\$ 1.33 million. Adoption of new energy-efficient technologies has reduced product energy consumption, leading to cost savings of approx. NT\$5.6 billion.	1. Continue to invest in green energy projects 2. Increase R&D costs for the improvement of product energy efficiency	1. Continue to invest in green energy projects: approx. NT\$800 million 2. 2024 investments in low-carbon product R&D: approx. NT\$3 billion
Resource efficiency	Recycled materials	Assessing and gradually adjusting the percentage of recycled materials across product lines to effectively increase resource efficiency and strengthen brand competitiveness.	Upstream/ Supply Chain	Increased competitiveness Stable supply chain	High	Long-term	Certain (>99%)	2024 revenue from low-carbon products: approx. over NT\$400 billion, 20-30% increase from the previous year. As market demand continues to rise for products made from recycled materials, future revenue is expected to continue rising as well.	Increase R&D investments to increase the use of recycled materials in Wistron products.	R&D expenses for introducing more recycled materials: NT\$3-3.5 billion
Energy source	Low-carbon energy	Wistron is now SBTi-verified and aims to reduce Scope 2 emissions to 90% in 2030. As such, we will leverage in-house power supplies and purchased renewable energy to reach 80% renewable energy use in 2025, easing power market supply-demand pressure.	Own Operations	Lower carbon costs Investment opportunities	Midium-High	Short-term	Certain (>99%)	Renewable energy PPA contract price difference in 2024: approx. NT\$60 million.	In addition to purchasing renewable energies, Wistron is developing and investing in new low-carbon energies such as hydrogen and geothermal energy.	Investments in surveying/ developing new low-carbon energies: NT\$50-80 million in hydrogen between 2025-2028; and NT\$60-90 million in geothermal energy between 2025-2028.

Financial Impact Analysis of Climate Opportunities

Dimension	Source	Description	Scope	Impact Type	Impact Level	Time Horizon	Likelihood	Financial Impacts	Approach	Costs
Products and services	Diverse operations	IT assisted in developing & introducing corporate carbon inventory services, providing new service models and collaborating with customers to co-develop and introduce the Green Leaf program to other production lines, expanding new in-house technologies to various production lines.	Own Operations Downstream/ Users	New products or services Increased competitiveness	Medium-High	Long-term	Certain (>99%)	2024 revenue from low-carbon products: approx. over NT\$400 billion, 20-30% increase from the previous year. In the next one to three years, we expect to see rising market demand for low-carbon products, driving related revenue to continue rising.	Investing more in R&D expenses to ensure products comply with low-carbon/energy efficient product demands and guidelines.	2024 investments in low-carbon product R&D: NT\$3 billion.
Resource efficiency	Production processes	Improve process efficiency through higher yield, shorter production time, and better resource efficiency. Implement UL2799 Zero Waste to Landfill and reduce organic solvent use across global plants.	Own Operations	Lower operating costs Improved operational efficiency	High	Long-term	Certain (>99%)	Savings in next three years from process optimization (hardware/software): approx. 300 MWh & NT\$10 million. Savings from fewer air pollution control facilities from initiatives to reduce VOCs below regulatory thresholds, leading to no additional facilities: NT\$11.90 million.	Reduce VOCs, optimize processes, and ensure energy-efficient processes to increase production efficiency.	2024-2026 investments in VOC reduction: approx. 3,000 hours of labor & NT\$6.95 million in labor costs. Investments for process optimization & energy conservation, including for hardware and software upgrades: approx. NT\$8 million.
Market	New funding sources	Signing sustainability-linked loans with banks to earn preferential interest rates by linking loans with ESG targets.	Own Operations	Lower operating costs Investment opportunities	Medium-High	Short-term	Certain (>99%)	Signed sustainability KPIs with banks that, once reached, will lead to estimated interest savings of NT\$20 million.	Approach consistent with carbon and water control measures. Goal is to manage Corporate Governance Evaluation rankings, renewable energy use, energy use, water use, and GHG emissions in compliance with loan terms.	2024 labor costs for sustainability issues and Corporate Governance Evaluation: NT\$7.2 million.
Products and services	Change in consumer behavior	There may be a rising market demand as end customers show more interest and demand for low-carbon products and green products, which leads to Wistron having to provide more new products or services to our customers.	Own Operations Downstream/ Users	Rising market demands New products or services	Medium-High	Long-term	Very Likely (>90%)	Increased revenue and higher gross profit margins from low-carbon products are expected to increase revenue by over NT\$50 billion.	Investing more in R&D expenses to ensure products comply with low-carbon/energy-efficient product demands and guidelines.	2024 investments in low-carbon product R&D: NT\$2-3 billion.

Financial Impact Analysis of Water Risks

Type	Dimension	Source	Description	Scope	Impact Type	Impact Level	Time Horizon	Likelihood	Financial Impacts	Approach	Costs
Transition	Regulatory	Change in water prices	Operational stability is affected as specific areas are subject to rising water prices from changing regulations. This results in increased operating costs and generates greater impacts on certain locations and products.	Own Operations	Increased direct costs	Medium	Short-term	Very Likely (>90%)	Based on 2023 and 2024 water fees, projected water costs in 2029 are estimated under a seven-tier pricing system, revised from a four-tier system, with expenses increased by approx. NT\$1.5-2 million.	Conserve water, increase water efficiency, and reduce water expenses across Wistron plants through water resource management, leakage inspections, irrigation timing control, grey water recycling, etc.	Expenses for installing water conservation facilities and leak detectors: NT\$8-12 million. Expenses for installing water fountain drainage and water recycling facilities: NT\$2-2.5 million.
Transition	Goodwill	Community protest	Water use may affect surrounding residents and lead to community protest if handled poorly, leading to direct impacts to the company, e.g., fewer orders, fluctuation in stock prices, loss of customers, and reduced credit ratings.	Own Operations	Harm to society	Medium-High	Medium-term	Possible (33%-50%)	Community protests will impact goodwill, resulting in direct impacts on product sales and factory operations, thereby leading to reduced revenue.	Understand the problem and situation as well as current progress in resolving the issue. Engage related departments and senior executives on how to communicate with external parties. Continue to communicate with stakeholders.	1. Additional labor costs from communicating with external parties 2. Costs of facilities to improve water use and drainage 3. R&D costs for improving processes 4. Financial and resource investments to mitigate negative impacts 5. Please refer to figures from financial departments or insurance companies
Transition	Goodwill	Negative press	Negative press associated to Wistron's water use may damage our corporate image, leading to mistrust from our customers, shareholders, and other stakeholders, thereby affecting our operations and goodwill.	Own Operations	Harm to brand	Medium	Medium-term	Possible (33%-50%)	Negative press will impact goodwill, resulting in direct impacts on product sales and factory operations, thereby leading to reduced revenue.	Understand the problem and situation as well as current progress in resolving the issue. Engage related departments and senior executives on how to communicate with external parties. Continue to communicate with stakeholders.	
Transition	Goodwill	Negative goodwill	Negative goodwill will impact may damage our corporate image, leading to mistrust from our customers, shareholders, and other stakeholders, thereby affecting our operations and goodwill.	Own Operations	Harm to brand	Medium	Medium-term	Possible (33%-50%)	Negative goodwill will impact goodwill, resulting in direct impacts on product sales and factory operations, thereby leading to reduced revenue.	Understand the problem and situation as well as current progress in resolving the issue. Engage related departments and senior executives on how to communicate with external parties. Continue to communicate with stakeholders.	

Financial Impact Analysis of Water Opportunities

Dimension	Source	Description	Scope	Impact Type	Impact Level	Time Horizon	Likelihood	Financial Impacts	Approach	Costs
Resilience	Adaptability	Wistron is advocating the use of EV charging stations and purchasing renewable energy to mitigate water risks from climate change, increasing Wistron's adaptability and resilience to water use in company operations.	Own Operations	Climate change adaptation Lower operating costs	Medium-High	Long-term	Very Likely (>90%)	Increased production efficiency by providing clean water to employees. Establishing robust contingency mechanisms to mitigate water rationing helps avoid recovery and downtime costs of approx. NT\$4.6 million. Providing hot, room temperature, and cold water year-round and cleaning water tanks regularly reduces bottled water usage and saves approx. NT\$30,000 annually.	Continue annual maintenance of water fountains.	Annual labor costs of providing employees clean water: NT\$1.3-2 million. Annual costs of facilities installed to mitigate water disasters: NT\$300,000-500,000.
Water efficiency	Cost savings	Wistron encourages employees to take what they need and ensure everyone will have access to water during peak water fountain hours. We also use water conservation and smart monitoring measures across factories to reduce water use and waste.	Own Operations	Employee loyalty Lower operating costs	Low to Medium	Long-term	Likely (>66%)	Water-saving initiatives implemented in 2024 yielded measurable results and will continue to have impacts over the next three years, with expected savings of 450,000 M³ in water consumption and approx. NT\$43-48 million.	Continue to implement water-saving practices in plant operations to reduce resource use and waste.	In 2024, Wistron implemented 33 water-saving measures, including daily management and replacing equipment. Expenses invested in equipment was approx. NT\$1.1 million.
Water efficiency	Green buildings	While Wistron does not rely on water as a primary production resource, increasing water efficiency can reduce operating costs and increase market competitiveness. As such, we are recycling water and leveraging water-efficient facilities to increase water efficiency and reduce tap water use.	Own Operations	Lower operating costs	Medium	Long-term	Very Likely (>90%)	The Neihu Innovation Digital Content Center rainwater harvesting system has a retention pond capacity of 1,600 tonnes and can reduce water costs by approx. NT\$10,000-20,000 compared to buildings without resource efficient facilities.	Install rainwater retention ponds and raft foundations and adopt smart water meters to monitor water use and increase water efficiency in green buildings.	Cost of rainwater retention ponds and raft foundations: NT\$24 million. Additional capex for water-efficient watering systems and cooling towers: NT\$3 million. Additional capex for smart meters to monitor water use after rainwater recycling: NT\$700,000.
Resilience	Regulatory resilience	Wistron has established clear internal water management goals and tracks/monitors progress to goals through a dedicated environmental protection team, ensuring compliance with water regulations.	Own Operations	Strengthened labor management Lower operating costs Increased competitiveness	Medium	Long-term	Very Likely (>90%)	Compliance with Articles 23 and 24 of the Drinking Water Management Act can help avoid penalties of up to NT\$600,000.	Conduct regulatory resilience review according to the Regulations on the Use and Maintenance of Fixed Continuous Water Supply Facilities.	Annual labor costs for compliance with safe water use regulations: NT\$890,000. Labor costs for establishing regulations and planning response measures over the course of three years: NT\$1.63 million.

2.2 Physical Scenario Analysis

Climate risks are composed of hazard, exposure and vulnerability. According to the UN IPCC, hazard is the climatic driver of risk that may lead to potential loss of life, injuries, and damages; exposure is the places that could be adversely affected and level of adverse effects; and vulnerability covers sensitivity or susceptibility to harm and is defined as propensity or predisposition to be adversely affected. Based on these definitions, risk can be assessed by classifying and quantifying hazard, exposure, and vulnerability. The resulting risk level can then serve as a critical basis for prioritizing and selecting adaptation strategies.

To analyze quantified physical risk levels of various locations under climate change, Wistron sets extreme rainfall from climate change as the hazard, flooding, landslides, and mudslides from extreme rainfall as the vulnerability, and Wistron locations as the exposure. Hazard assessment complies with the Sixth Assessment Report (AR6) released by the IPCC in 2021, which incorporates findings from various international climate research institutions. It adopts various pathways, including the Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs) to form four scenario matrices - SSP1-RCP2.6, SSP2-RCP4.5, SSP3-RCP7.0, and SSP5-RCP8.5 - to project hazards from extreme rainfall across different time horizons (short term (2021-2040), midterm (2041-2060), mid-to-long term (2061-2080), and long term (2081-2100)). Vulnerability is based on disaster maps and information publicly released by relevant government agencies in Taiwan, which provide data on potential areas of disaster and severity level. Exposure is set as the ten Wistron locations in Taiwan (Taipei City: 1; New Taipei City: 1; Hsinchu City: 1; Hsinchu County: 1; Tainan City: 1; Kaohsiung City: 3). Finally, the risk score of each location's vulnerability is then classified according to a risk matrix into four levels: No Risk, Low Risk, Medium Risk, and High Risk. The overall risk level is represented by the highest risk level among all vulnerabilities.

2.2.1 Wistron Locations in Taiwan

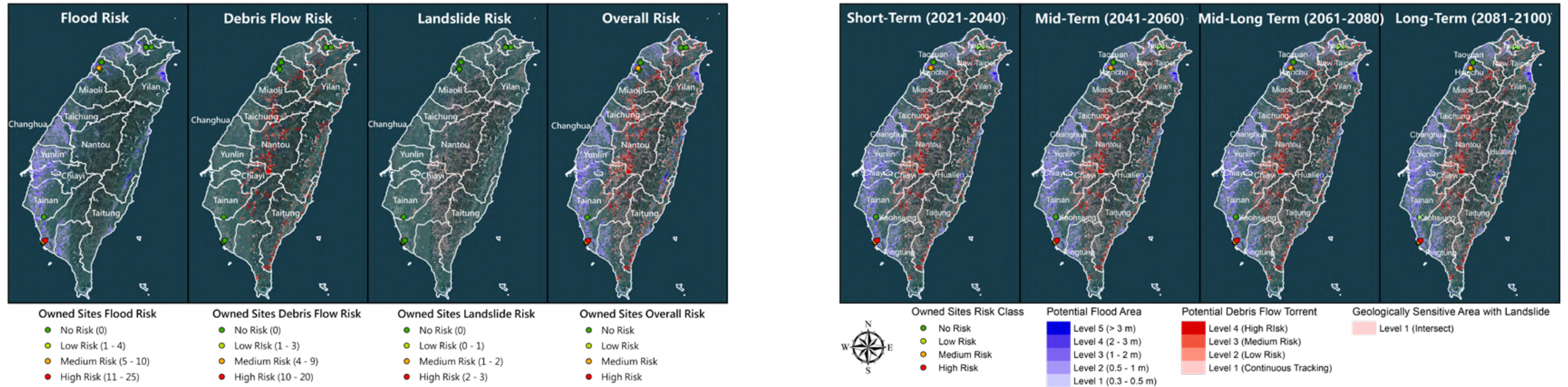
Physical Risks Analysis of Wistron Locations in Taiwan

Risk levels under various climate change scenarios and time horizons indicate that seven (70%) of Wistron locations in Taiwan are not susceptible to floods, landslides, or mudslides, and are therefore classified under No Risk. The other three (30%) locations are susceptible to floods, specifically two locations are classified as medium risk and one (a location in Kaohsiung City) is classified as high risk across various climate change scenarios and time horizons. As the results of the analysis indicate, Wistron's locations share the exact same risk levels and distribution across the 4 SSP Climate Change Scenarios & Time Horizons.

For locations with risk factors, Wistron intends to monitor hazards and potential changes while maintaining operations. To address these hazards, we are formulating emergency response plans and risk management measures according to risk level, including establishing emergency procedures such as evacuation plans and resource recovery plans to ensure employee safety and property protection. To mitigate potential future risks and losses, we are also considering improving our buildings' water resilience and risk management systems. Wistron will also continue to monitor changes in locations classified as No Risk and regularly review risk classifications.

Risks Levels of Wistron's Taiwan Locations across Climate Change Scenarios, Time Horizons, & Response Measures

Risk Levels	SSP1-RCP2.6				SSP2-RCP4.5				SSP3-RCP7.0				SSP5-RCP8.5				Countermeasures
	Short term	Midterm	Mid-to-long term	Long term	Short term	Midterm	Mid-to-long term	Long term	Short term	Midterm	Mid-to-long term	Long term	Short term	Midterm	Mid-to-long term	Long term	
	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Total	10				10				10				10				Maintain location, follow the hazard's trend and change, regularly review the risk.
																	Maintain location, follow the hazard's trend and change, regularly review the risk.
																	Maintain location, closely follow the hazard's trend and change, devise emergency plans and risk management measures.
																	Activate the emergency plans and risk management measures, implement mitigation measures.



Physical Risk Adaptation Plan for Wistron Locations in Taiwan

Wistron has developed adaptation strategies to address physical risks for 100% of existing locations. In 2024, we completed risk inventory for existing assets and developed standard operating procedures for risk adaptation, strengthening disaster resilience across locations and enhancing the sustainability of their operations.



Extreme Heat

In 2018, the annual average temperature at our Hsinchu plant was 22.39°C. We expect annual temperatures to continue rising, and, as such, will halt outdoor operations or comply with regulations during extreme heat conditions. Indoor temperatures will be regulated by A.C. systems, but we will also adopt green building designs to maximize efficiency. The newly constructed Vietnam plant received the LEED v4 Silver Certification for Building Design and Construction: New Construction and Major Renovation from the U.S. Green Building Council (USGBC) in 2022. In 2023, Wistron purchased 180 fans to control and lower temperatures in workplaces and rented two generators to circumvent production halt during government-mandated power rationing periods in the summer.



Droughts

The baseline for maximum consecutive dry days at our Hsinchu plant is 39.5 days. We are expecting more serious impacts from seasonal droughts as a result of climate change. While our main processes do not rely heavily on water resources, we continue to improve our water efficiency as responsible corporate citizens. To such ends, we've set short-, medium-, and long-term goals that are included in our performance assessments. We've also installed rainwater harvesting systems in all new locations. All the measures listed above collectively aim to effectively reduce the amount of water consumed per every unit of revenue. In addition, our Kaohsiung plant started recycling wastewater from cooling towers between 2023 and 2024, and has since recycled around 10,000 m³ of water, mitigating risks from water rationing and droughts.



Floods

Strengthen flood prevention facilities and designs at all locations and establish alarm/reporting systems to protect employees safely and reduce asset loss.

Adaptation plans for specific assets for locations:
For new locations, a quantitative flood risk assessment based on a 100-year 24-hour rainfall event is conducted to evaluate and implement appropriate drainage and flood prevention measures. Emergency response plans (e.g., our typhoon and flood protection plan) are also in place for various disasters (including typhoons and flooding). These plans can effectively address and mitigate potential impacts from 100-year floods. Designs include: 1. Low impact developments such as grass swales and permeable pavements that can retain rainwater and reduce stormwater runoff; 2. Appropriately sized rainwater drainage pipes and drainage gradient, according to the quantitative flood risk assessment based on a 100-year 24-hour rainfall events, that can prevent surface runoff; 3. Elevated foundations and first-story floors to prevent floods from entering the building.

Emergency response measures include:
(1) Flood detention facilities and rainwater retention ponds to allow for water management and recycling;
(2) Installation of flood gates to prevent floods from entering underground spaces;
(3) Pumping strategies to ensure pumping facilities can tackle extended heavy rainfall.

2.2.2 Wistron Global Locations

Wistron also conducted analysis for 18 global locations across six countries, including Taiwan (10), China (4), Malaysia (1), Vietnam (1), the Czech Republic (1), and Mexico (1).



Wistron Global Locations

2.2.2.1 Baseline Water Risk Analysis for Global Wistron Locations

Baseline Water Stress is a key indicator used to assess the ratio between water demand and available freshwater supply, reflecting the degree of competition for water resources. The indicator calculates the ratio of total water demand (including domestic, industrial, irrigation, and livestock) and available freshwater supply (available renewable surface and groundwater supplies), considering factors such as upstream use and impact from dams. Baseline Water Stress is calculated monthly and then converted into an annual value through a weighted average to highlight the impacts of high-water-demand months on the whole year. Risk levels are categorized from low to extremely high (on a scale of 0 to 5), with higher values indicating more intense competition for water.

A spatial analysis of baseline water stress at 18 global Wistron locations indicates that two (11.1%) locations have extremely high baseline water stress; one (5.6%) location has high baseline water stress; one (5.6%) location has medium-high baseline water stress; 11 (61.1%) locations have low-medium baseline water stress; and three (16.7%) locations have low baseline water stress.

Risk Level	Number of locations	Geographical locations
Extremely High	2	China, Mexico
High	1	China
Medium – High	1	Czech Republic
Low – Medium	11	Taiwan, Vietnam
Low	3	China, Malaysia



Results from Baseline Water Risk Analysis
for Global Wistron Locations

2.2.2.2 Baseline Overall Water Risk Analysis for Global Wistron Locations

Baseline Overall Water Risk is an overall indicator used to measure water-related risks across different regions within the same baseline period. It incorporates physical risks quantity (e.g., baseline water stress, water depletion, interannual variability, seasonal variability, groundwater table decline, riverine flood risk, coastal flood risk, and drought risks), physical risks quality (e.g., untreated connected wastewater and coastal eutrophication potential), and regulatory and reputational risks (e.g., unimproved/no drinking water, unimproved/no sanitation, and Country ESG Risk Index) to deliver an overall risk value through weighted average. The risk score is expressed between 0 to 5, with a higher value indicating greater risks.

An analysis of baseline overall water stress at 18 global Wistron locations indicates that three (16.7%) locations have high baseline overall water stress; two (11.1%) locations have medium-high baseline overall water stress; and 13 (72.2%) locations have low-medium baseline water stress.

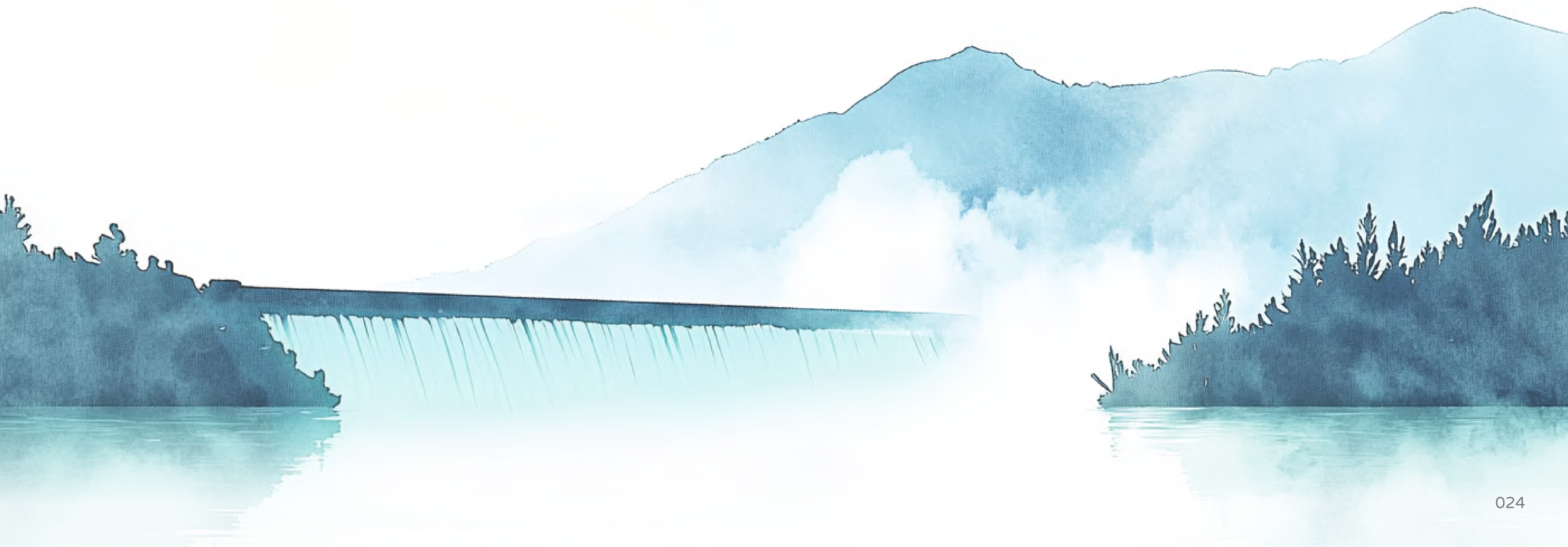
Risk Level	Number of locations	Geographical locations
Extremely High	0	NA
High	3	China, Vietnam
Medium – High	2	China, Mexico
Low – Medium	13	China, Taiwan, Malaysia, Czech Republic
Low	0	NA



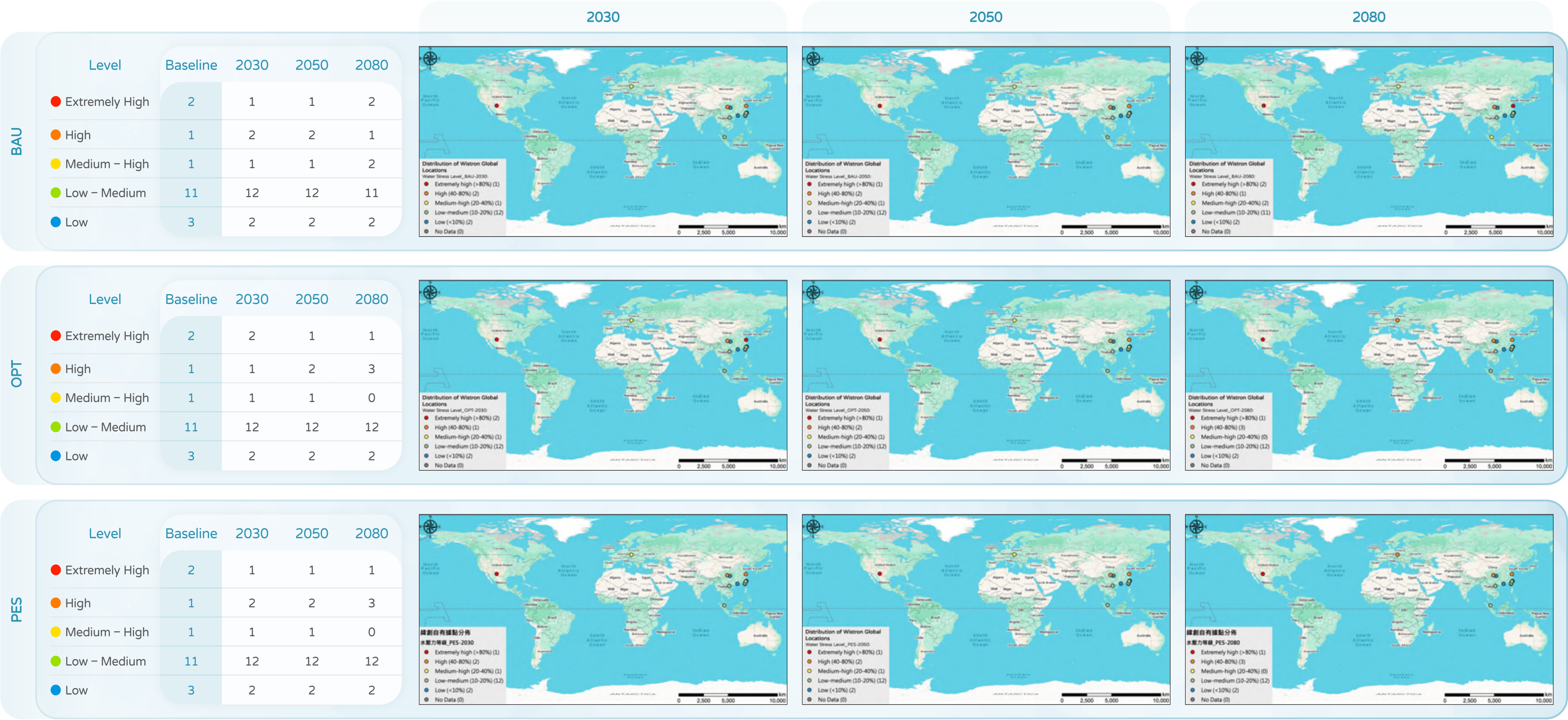
Results from Baseline Overall Water Risk Analysis
for Global Wistron Locations

2.2.2.3 Analysis of Water Stress Under Climate Change for Global Wistron Locations

Using the World Resource Institute's Aqueduct tool, Wistron evaluated water stress across three timeframes - short-term (2030), medium-term (2050) and long-term (2080) - for three climate change scenarios (BAU, OPT & PES), resulting in nine water stress projections. To expound on the three climate change scenarios: BAU (Business As Usual) represents the SSP3 RCP7.0 scenario and is characterized by limited climate policy intervention, a medium-to-high forcing pathway, extensive land-use changes, and high emissions of near-term climate forcers (NTCFs), resulting in elevated social vulnerability; OPT (Optimistic) represents the optimistic SSP1-RCP2.6 scenario, a low-forcing pathway that models a global temperature increase of below 2°C by 2100 under multi-model averages; and PES (Pessimistic) is the pessimistic SSP5-RCP8.5 scenario, a high-forcing scenario characterized by continued heavy reliance on fossil fuels. To expound on the time frame, short-term projections (for 2030) are based on the weighted aggregate values from 2015 to 2045, medium-term projections (for 2050) are based on the weighted aggregate values from 2035 to 2065, and long-term projections (for 2080) are based on the weighted aggregate values from 2065 to 2085. The WRI Aqueduct tool can be used to identify high-risk areas, assist decision-makers in addressing water challenges under various climate change pathways, and support overall decision-making when adjusting near-term policies to long-term plans. Water stress projections for different timeframes under various climate change scenarios indicate that the number of extremely-high-water-risk Wistron locations decreases from the baseline, while high-water-risk locations show an increase from the baseline.



Water Risk Levels of Global Wistron Locations across Climate Change Scenarios & Time Frames



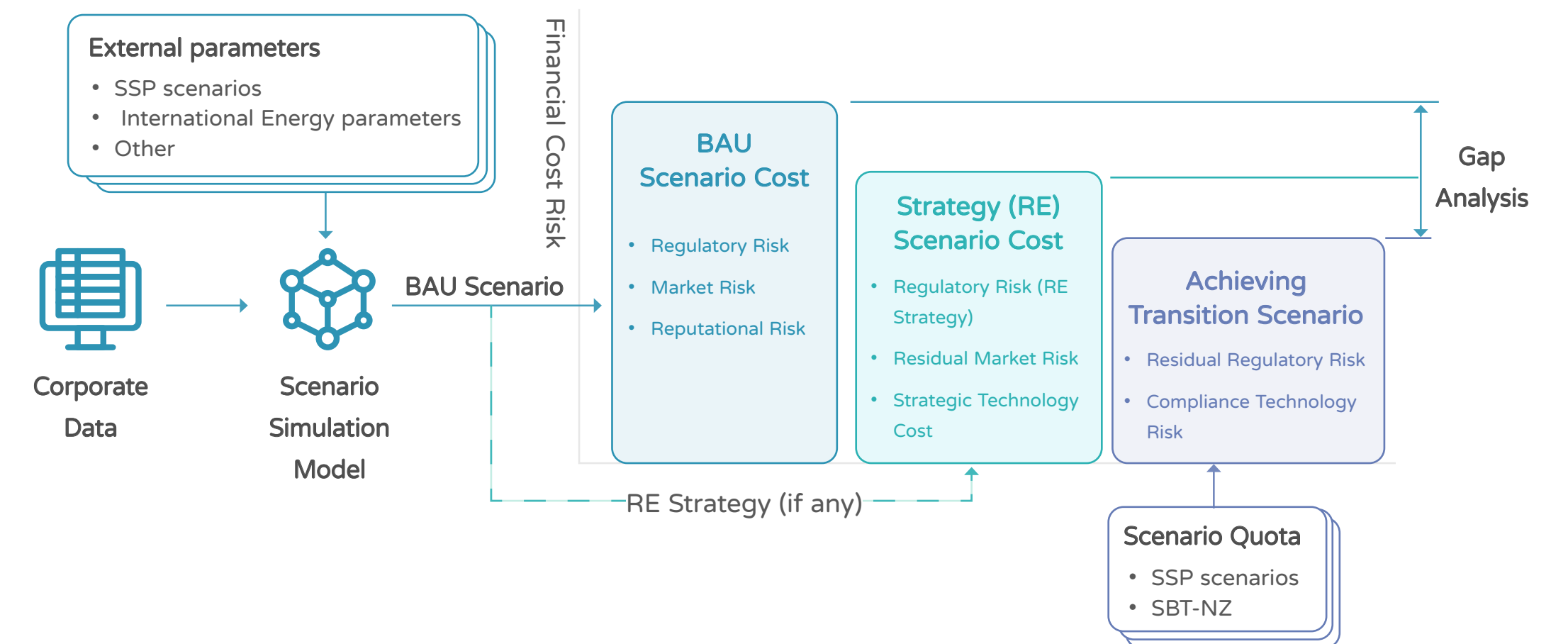
2.3 Transition Scenario Analysis

Transition scenario analysis is not only a risk management tool, but also a critical tool for businesses to seize opportunities and maintain sustainable competitiveness amid changing landscapes. In the face of an accelerating global shift toward decarbonization, companies that fail to anticipate the impacts of evolving policies, shifting market demands, and technological innovations may lose their standing in this rapidly changing environment. Through comprehensive and detailed scenario simulations, Wistron can foresee potential future challenges and opportunities, allowing us to proactively adjust operational strategies - such as investing in low-carbon technologies, restructuring our supply chain, and responding to carbon pricing and regulatory trends - to mitigate financial and operational risks. Moreover, by responding to climate stresses in a transparent and forward-looking manner, we can earn investor and stakeholder trust and gain competitive edge in the global landscape. Wistron seeks to not only align with trends but also create value in the future, empowering us to not just survive but also lead the way amidst low-carbon transformation trends.

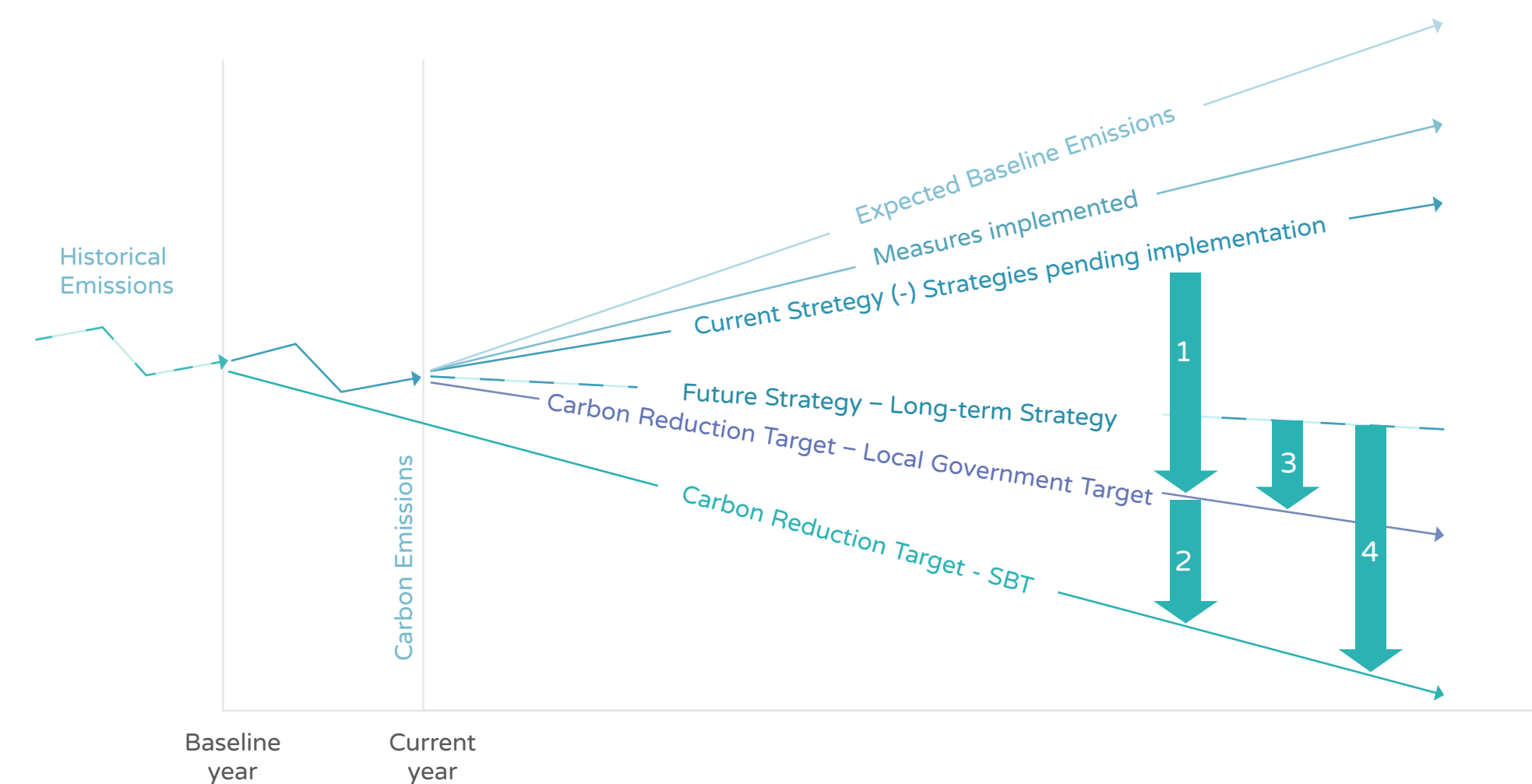
2.3.1 Scenario Selection

At Wistron, transition scenario analysis aims to estimate the potential financial impact of inaction, as well as the additional costs associated with implementing low-carbon strategies to mitigate those impacts. Wistron draws from global and credible scenario parameters to analyze project emissions, financial impacts from existing strategies, and management costs required to meet external pressures under different scenarios. We then conduct potential financial impact analysis for existing or future strategies to compare the differences.

1. IPCC AR6 (Sixth Assessment Report) SSP scenarios
2. Internationally credible reports, including parameters from IRENA & IEA
3. Energy parameters from Taiwan's Energy Administration, Taipower, and the International Energy Agency
4. Publicly available climate policies from various governments
5. Company-provided parameters, including baseline emission data and existing or long-term mitigation and transition strategies



Transition Climate Risk Assessment Framework



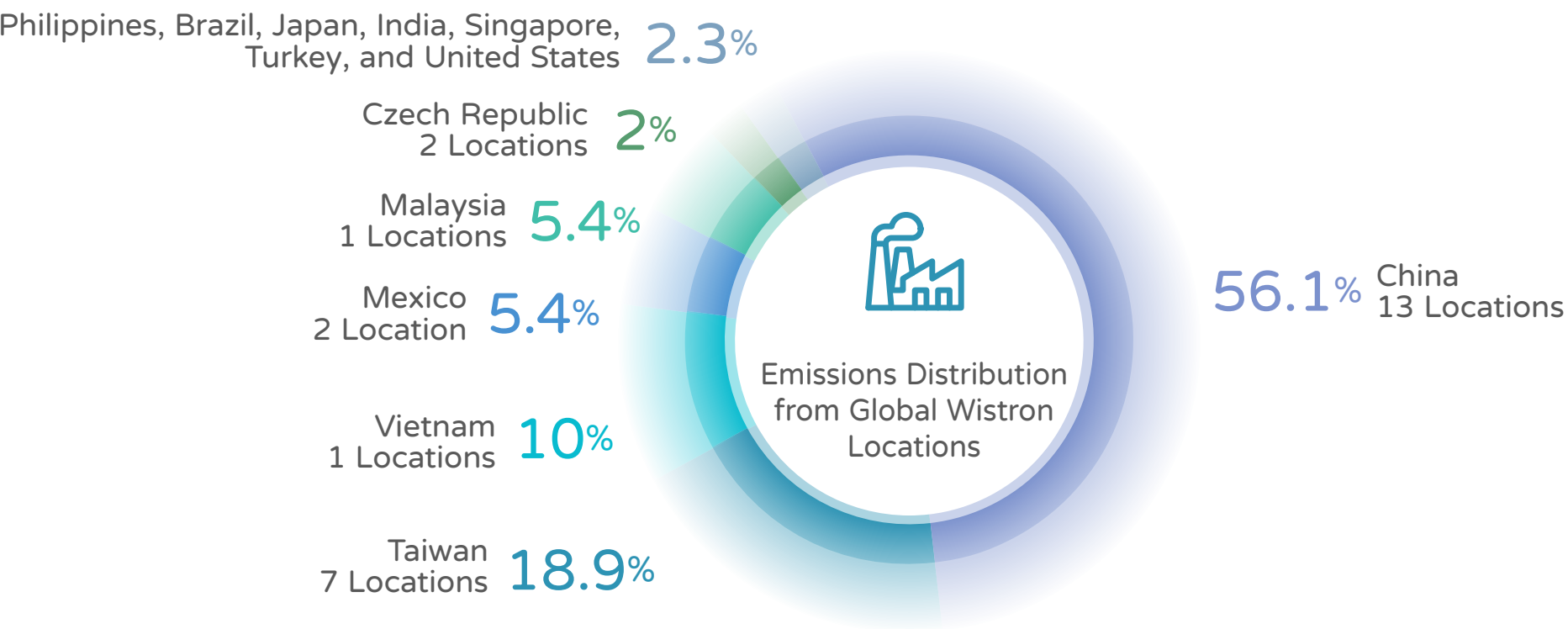
Low-carbon Transition Scenario Analysis Concept

2.3.2 Definition of Scope & Target

Wistron's main consideration is whether the group can meet SBTs. As such, we will prioritize assessment for SBTs, rather than aligning to targets set by local governments. This is due to the fact that our SBT for a 90% reduction in Scope 1 and 2 emissions by 2030 from 2022 already exceeds regulatory requirements. We evaluate financial impacts and management costs under various transition risks, which include regulatory, market, technological, and reputational risks. The severity of these risks varies under different external transition scenarios. In alignment with IFRS S2 guidelines, our assessments cover low-carbon transition scenarios corresponding to 2 °C and even 1.5 °C warming pathways, incorporating climate policy transition scenarios from various countries as well.

2.3.2.1 Scope

Wistron has several locations around the world, however, emissions are mainly concentrated in China, Taiwan, Mexico, Vietnam, Malaysia, and the Czech Republic. During our analysis, locations accounting for fewer emissions will be aggregated together as Other Global Locations.



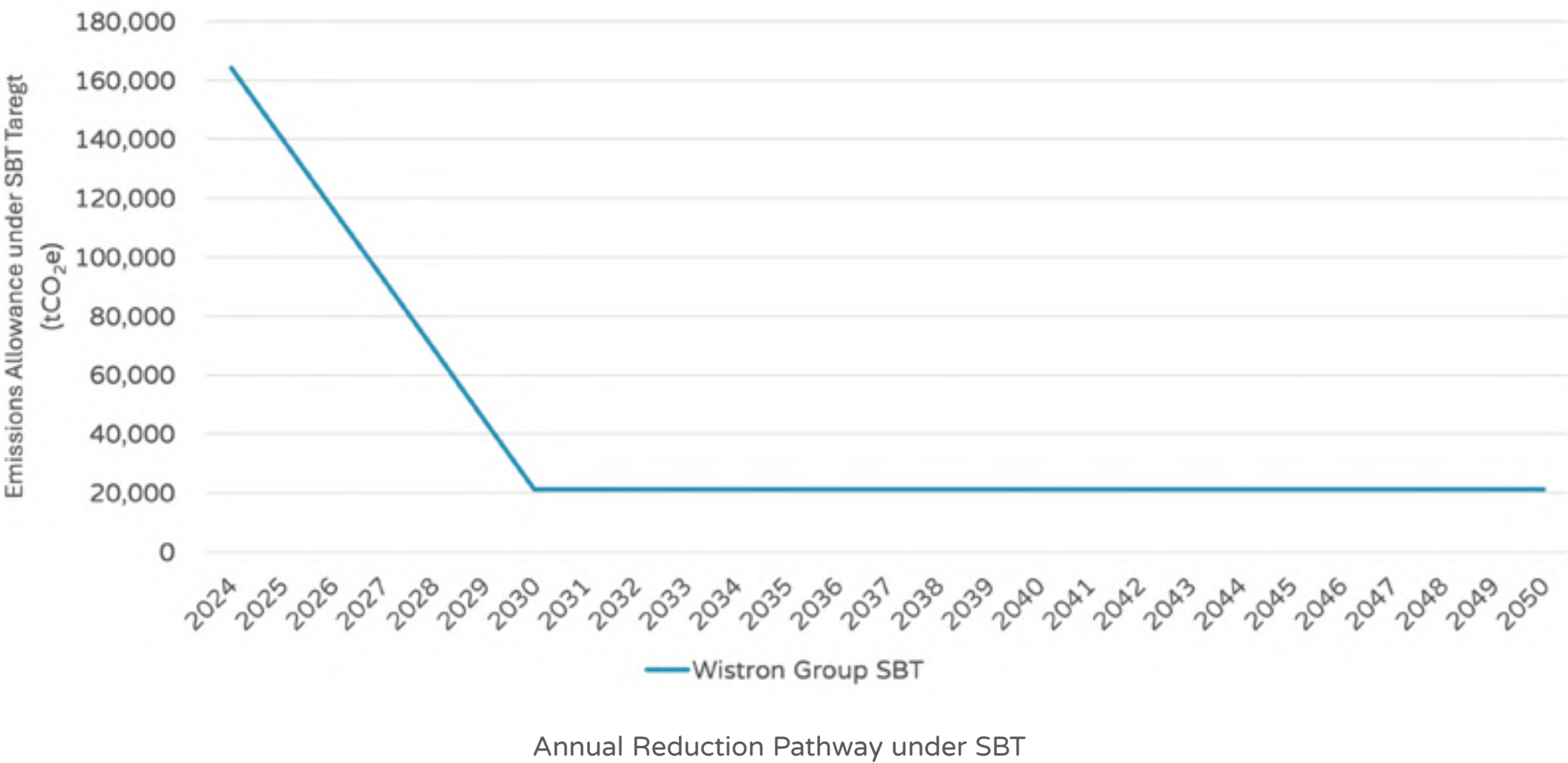
To standardize emissions, emissions factors in 2024 are aggregated by market. While the IEA's emissions factors are location-specific, it is stated in GHG Protocol Scope 2 Guidance's Box 2 Key Terms that the residual mix represents the untracked or unclaimed energy and emissions, and that in the absence of residual mixes, location-based emission factors shall be used. Details on the electricity emission factors used in this report can be found in Appendix III.

2.3.2.2 Establishment of External Scenarios

SBT Scenario: This scenario represents a 1.5° C-aligned low-carbon transition pathway with the strictest carbon pricing assumptions and aligning with Wistron's approved SBTi commitments:

- Achieve 90% reduction (from 2022) in Scope 1 + Scope 2 emissions by 2030
- Maintain 90% reduction (from 2022) in Scope 1 + Scope 2 emissions between 2030 and 2050
- Achieve net zero by 2050 as long-term goal

To achieve net-zero by 2050, we will ultimately need to rely on Beyond Value Chain Mitigation (BVCM) to offset the residual 10% of emissions. In the base year of 2022, Scope 1 emissions were 12,200 tCO₂e and Scope 2 emissions were 199,667 tCO₂e, resulting in total emissions of 211,867 tCO₂e.



2.3.2.3 Strategy Selection

Strategies are primarily divided into two categories. The first is the Business-As-Usual (BAU) strategy (i.e., emissions projections based on the currently scheduled plans, without any additional actions), which does not consider future long-term strategies. The second category refers to the projected future long-term strategy, which assumes the company’s expected increase in the share of renewable energy (non-carbon electricity).

(1) Initial Estimated BAU Emissions: These emissions are estimated based on projected growth in electricity consumption, without taking into account any mitigation efforts. Only changes in external grid emission factors are considered. Scope 1 emissions are assumed to remain constant:

- Linear: Assumes linear growth and uses the base year value as a fixed reference
- YoY (Year-on-Year): Assumes compound annual growth, with each year’s growth rate calculated based on the previous year

(2) Emissions Under Current Strategies: Scheduled strategies that are not yet implemented

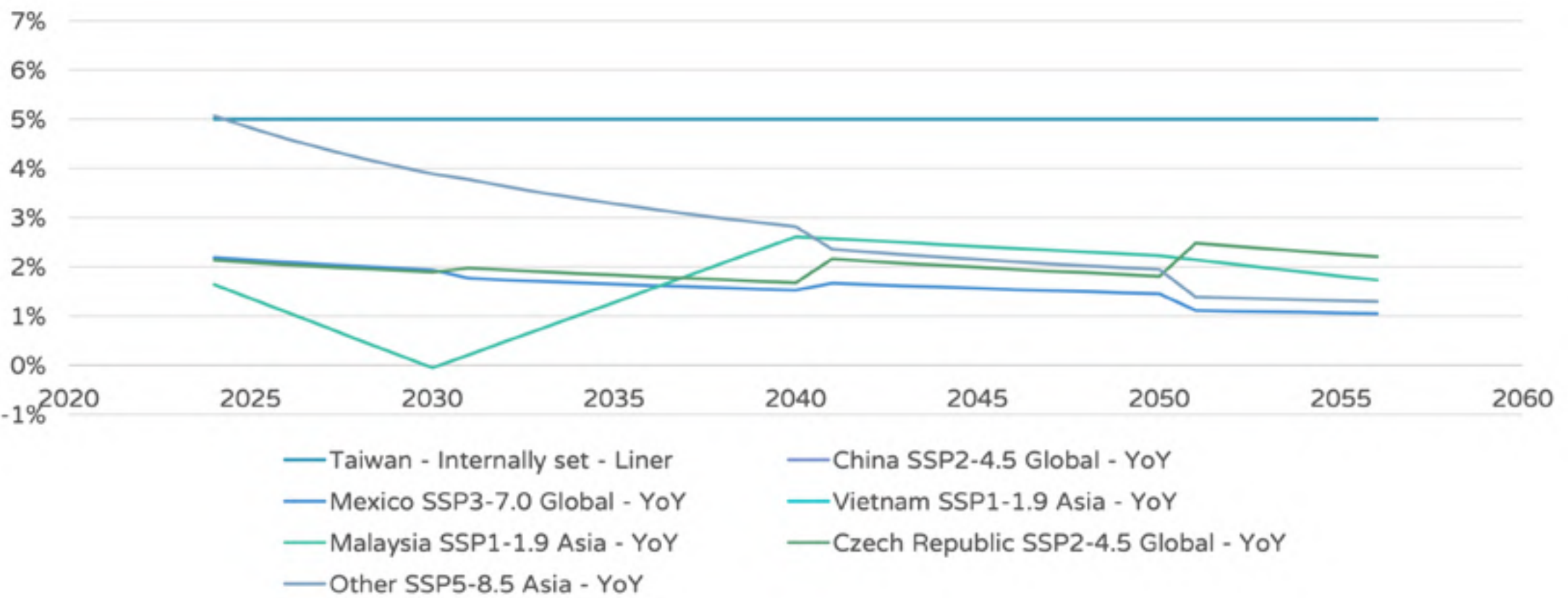
- Measures to Reduce Location-based Emissions
 - Confirmed energy-saving measures, including energy saved and costs
 - Confirmed direct PPA purchases
- Measures to Reduce Market-based Emissions
 - Confirmed indirect PPA purchases
 - Completed renewable energy facilities that will be commissioned the following year and included into full-year calculations
 - Renewable energy facilities under construction

(3) Carbon-free Electricity Procurement Strategy to Achieve SBT transition scena

- Priority for carbon-free electricity procurement in different regions to meet SBTs:
 - Mainland China>Mexico>Vietnam>Malaysia>Czech Republic>Other Locations>Taiwan
- Estimations solely based on renewable energy procurement costs

Assumed Parameters for Electricity Growth by Locations

	Calculation basis	Scenario basis	Description	Data source
Taiwan	Linear	Growth rate defined at 5%	Internally set	Internally set
China	YoY	SSP2-4.5 Global	Implement NDC targets	SSP Database
Mexico	YoY	SSP3-7.0 Global	Considering global tariff and trade barriers	SSP Database
Vietnam	YoY	SSP1-1.9 Asia	Slowing growth in Asia	SSP Database
Malaysia	YoY	SSP1-1.9 Asia	Slowing growth in Asia	SSP Database
Czech Republic	YoY	SSP2-4.5 Global	Implement NDC targets	SSP Database
Other	YoY	SSP5-8.5 Global	Considering rapid growth of U.S. manufacturing sites	SSP Database

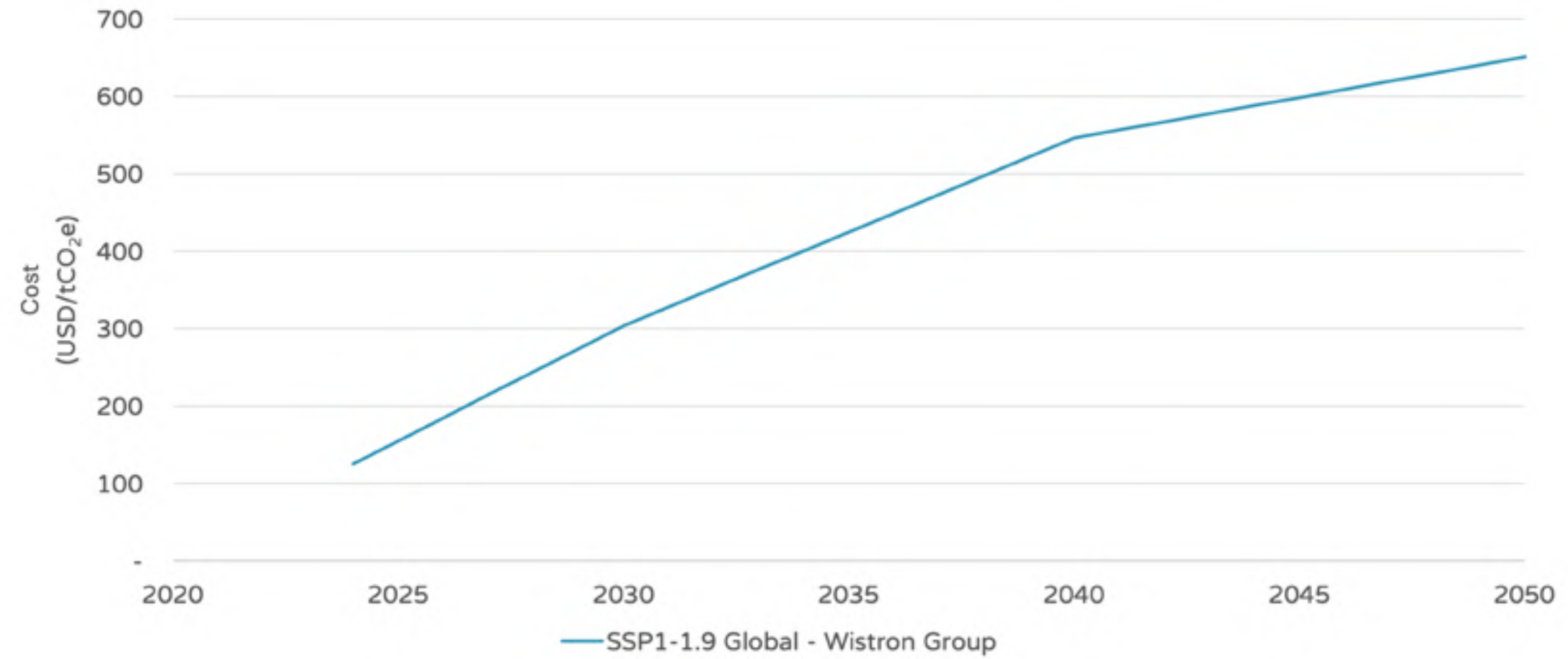


Electricity Growth

2.3.2.4 Assessment Boundary and Scope

The assessment boundary is based on the geographic boundaries of global Wistron locations (to adopt different scenarios, one country is one boundary), and includes a total of seven geographical locations. The primary cost categories evaluated include management costs associated with the implementation of corporate strategies and potential financial impacts resulting from external scenarios:

- (1) Financial Impacts: Potential losses in regulation, market, technology, or goodwill from climate change that may arise if the company takes no action. The analysis focuses on regulatory and market-related risks, particularly:
- 1. Regulatory Costs: Covers only carbon taxes (for better distinction, referred to as carbon fee in Taiwan and as carbon tax under SBTs). The evaluation is based on carbon tax levels under various transition scenarios. The SBT scenario adopts carbon tax estimates aligned with the IPCC AR6 SSP1-1.9 pathway.
 - 2. Market Risks: Market risks are not considered in this assessment.



Carbon Tax/Carbon Fee Parameters

(2) Management Costs: Expenses required to implement mitigation and transition strategies

Type	Cost parameters	Assessment conducted?
Costs and Benefits of Existing Strategies	Cost of energy-saving measures	Currently NA
	Costs and benefits - Establishing renewable energy facilities	✓
	Costs and benefits – Direct procurement of low-carbon electricity	✓
	Costs and benefits – Indirect procurement of low-carbon electricity	✓
	Costs of procuring renewable energy and the benefits of avoiding grey electricity purchase	✓
	Benefits of avoiding conventional grey electricity	✓
Costs and Benefits of additional low-carbon power procurement – achieving the SBT scenario	Cost of carbon-free electricity procurement	✓
	Benefits of avoiding conventional grey electricity	✓
BVCM Cost	Cost required to achieve Net Zero – assessment required only under SBT scenario	

(3) BVCM Costs: When necessary (i.e., when Scope 2 emissions have already been reduced to zero but the overall target has yet to be met), the company may incur costs associated with Beyond Value Chain Mitigation (BVCM) actions. These actions include supporting emission reductions and carbon removal technologies beyond the value chain, as well as purchasing carbon offsets or credits to close the remaining emissions gap.

Assessment Scope & Boundary of Wistron's Scenario Analysis

External Transition Scenario	Description	Cost Category	
		Financial Impacts	Costs
SBT	Based on scenario in which net zero is achieved in alignment with SBTs	Carbon tax calculated based on emissions	Management costs as described above

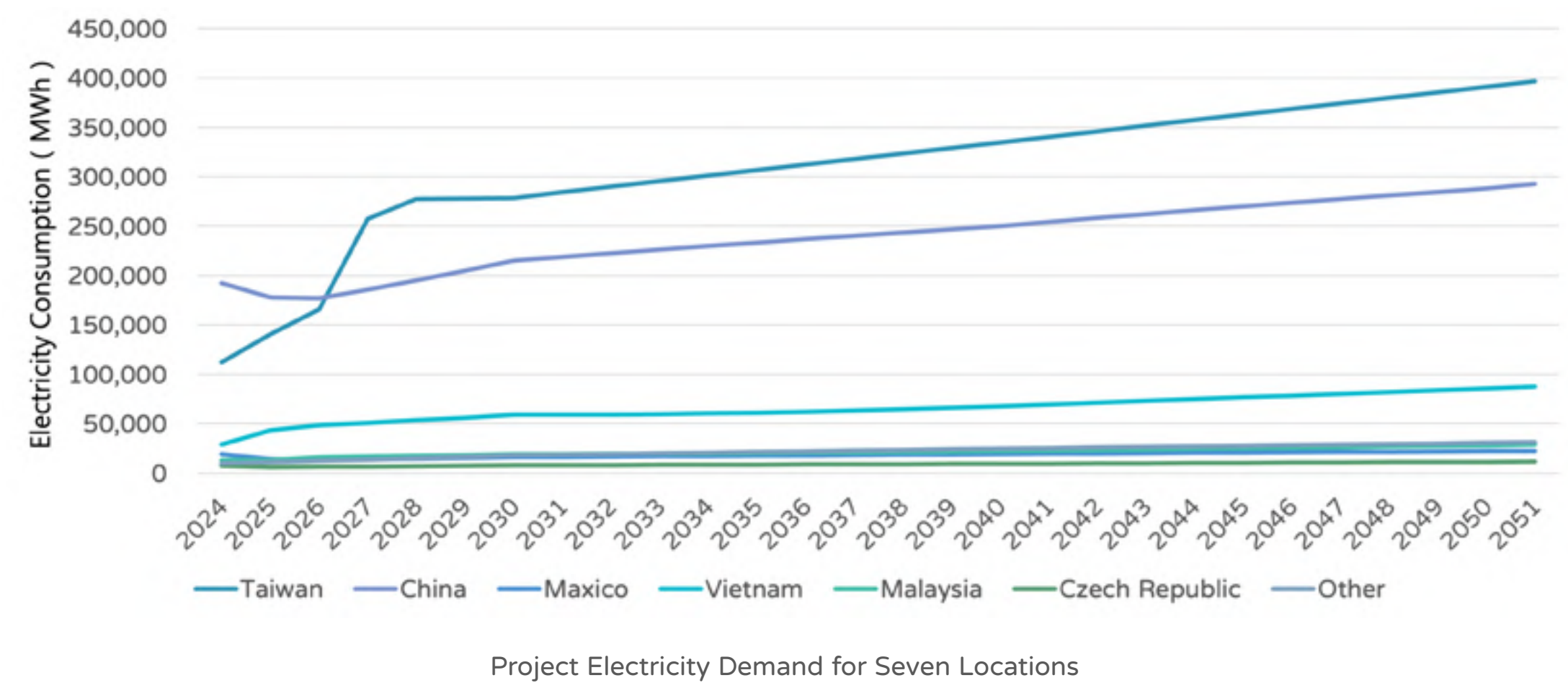
2.3.2.5 Simulation Scenarios

It is estimated that the electricity emissions factor for Taipower according to energy allocations set by Taiwan's policies for net-zero emissions and nuclear-free homeland, which brings the factor down from 0.4950 to 0.243 kgCO₂e/kWh (market-based). Electricity emissions factor for other regions are estimated according to the SSP2-4.5 pathway. Renewable energy and procurement costs of electricity is derived from an IRENA (International Renewable Energy Agency) report.

2.3.3 Assessment of Corporate Strategies Under Different External Scenarios

2.3.3.1 Projected Electricity Demand and Emissions

Based on the assumed parameters, emissions and electricity consumption estimates were calculated for seven geographic boundaries. Among them, China accounts for the highest share of emissions, followed by Taiwan and then Vietnam. While electricity consumption is projected to grow significantly across all three regions, emissions do not show a similar trend. This is primarily due to a forecasted decline in the electricity emission factors in all three areas, resulting in lower emission growth relative to electricity consumption. Between 2026 and 2027, Taiwan's electricity consumption is expected to surpass China, mainly due to the establishment of Wistron's new Neihu headquarters, which is scheduled to begin operations in 2027.



2.3.3.2 Current Energy Strategies

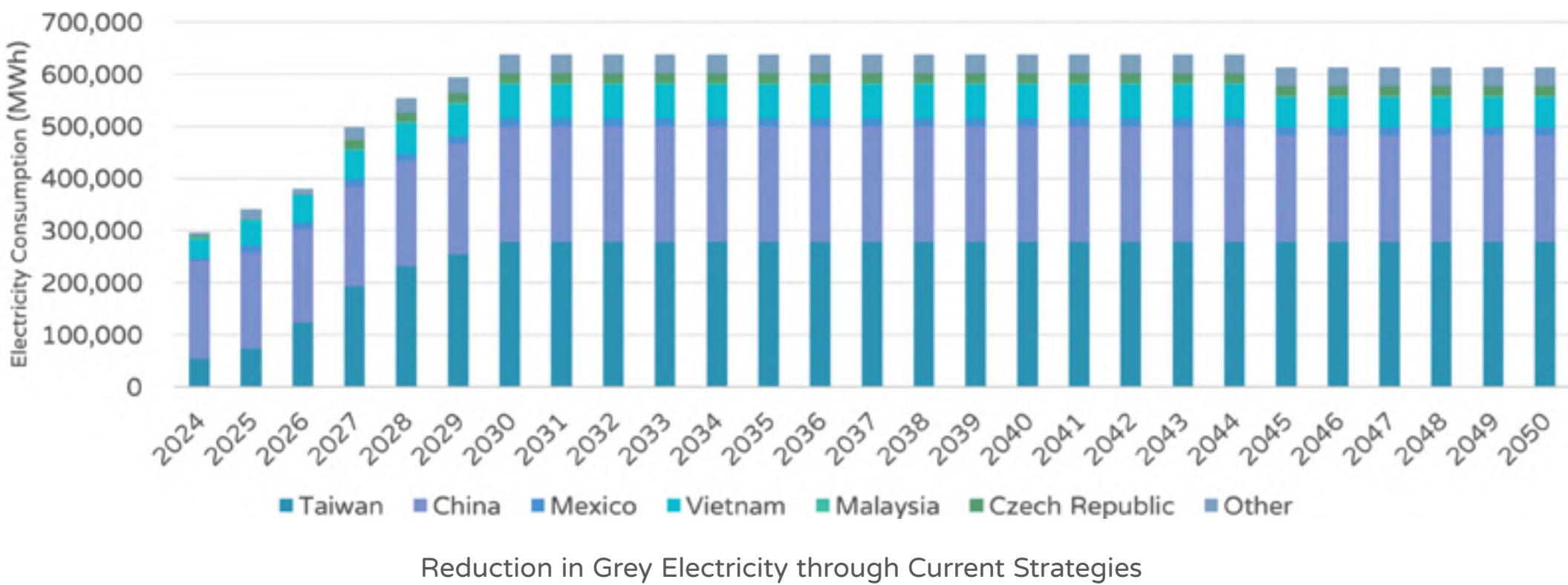
Wistron's current energy strategies revolve primarily around in-house renewable energy facilities, renewable energy certificates, and renewable energy procurement. Renewable energy from in-house renewable energy facilities is accounted for on a full-year basis starting the year after completion; any energy generated in the same year of its completion will not be counted. Renewable energy facilities that were commissioned before 2023 are excluded from

cost assessments. These energy strategies contribute to the reduction of market-based electricity emissions (as reduced grey energy can reduce market-based emissions).

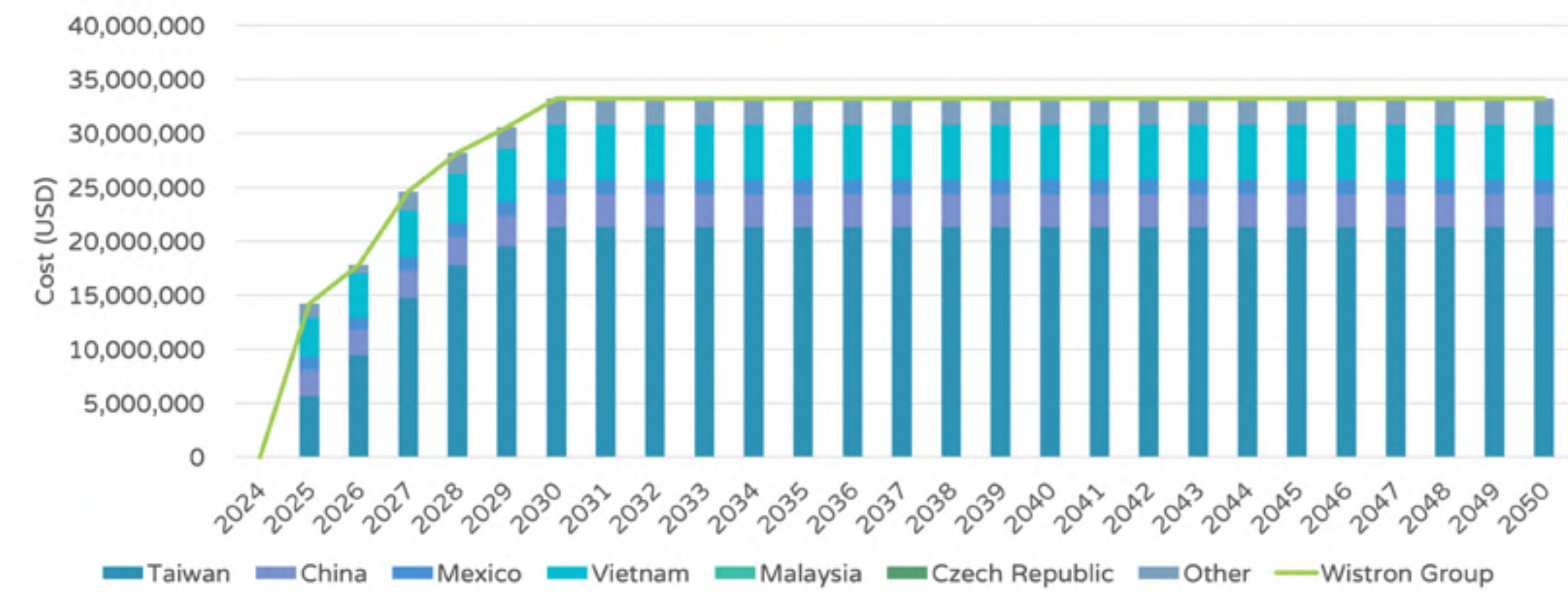
Future & Current Energy Strategies across Locations

Wistron has implemented a range of energy-saving and renewable energy initiatives across its global sites and is committed to continuing and expanding these efforts to reduce reliance on external power sources. These efforts are centered around five key strategies: self-generated renewable energy for on-site use, energy conservation measures, solar power installations, direct power supply, and third-party green power procurement. Currently, on-site renewable energy facilities — primarily solar — have been installed in China, Mexico, Vietnam, and Malaysia. Looking ahead, the company plans to focus on scaling up third-party power supply mechanisms to further reduce dependence on conventional power grids, particularly in Taiwan, China, and other American regions as part of Wistron's broader global strategy.

Aligned with one of Wistron's six core sustainability strategies — low-carbon manufacturing transformation — the company has set clear carbon reduction targets. These are measured based on low-carbon initiatives across seven geographic regions, including third-party green power procurement and renewable energy certificate (REC) purchases. These actions collectively reduce reliance on grey electricity (electricity from non-renewable sources). To meet its Science-Based Targets (SBT), Wistron is steadily decreasing its grey electricity usage year over year, demonstrating effective execution of its decarbonization strategies through 2030. And in fact, Taiwan and China play a central role in driving these emission reduction efforts.

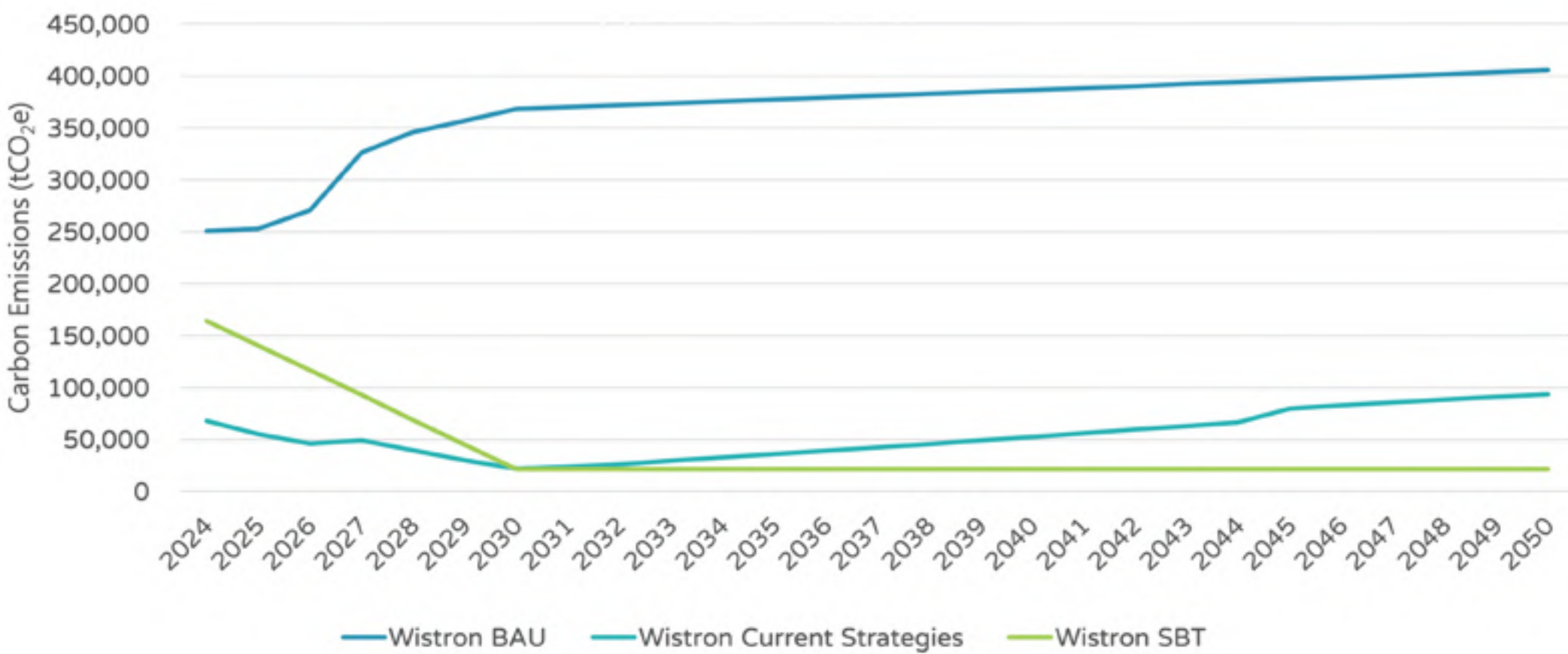


Additional electricity costs for current energy strategies. Taiwan locations are subject to higher additional costs for PPA procurement. In other locations, there is little difference in cost between carbon-free energy and traditional energy, leading to insignificant additional costs. As Taiwan currently has the highest cost of zero-carbon electricity among all regions, it has therefore been placed at a lower priority list when it comes to the implementation of decarbonization. However, achieving full decarbonization by 2030 will still require the inclusion of Taiwan. The cost distribution of existing strategies indicates that Taiwan clearly accounts for the largest share of total costs, with expenditures expected to rise steadily year over year as 2030 approaches.



Projected Electricity Costs of Current Strategies

Finally, the projected BAU emissions, emissions following implementation of current strategies, and SBTs for the group are under evaluation in a comparison table. Under the BAU scenario, despite increasing electricity demand, the gradual decline in grid emission factors across various countries allows total emissions to remain relatively stable at approximately 300,000 to 400,000 metric tons of emissions. Through the implementation of current strategies - such as in-house renewable energy facilities and long-term PPAs - missions can be reduced to within 100,000 metric tons. Up until 2030, Wistron will implement its current strategies, which were developed based on the BAU and other scenario simulations, to eventually achieve its targets. It can be observed that the emissions projected under these existing strategies fall below Wistron SBT target emissions, a sign indicating that Wistron has already adopted and successfully implemented a more ambitious action plan to meet its Scope 1 and Scope 2 SBT target — a 90% reduction from the base year — before 2030. From 2030 onwards, in accordance with the company's future strategic positioning around the world, Wistron will continue to adjust and enhance its current strategies to ensure that the company is on track toward its carbon reduction goals.

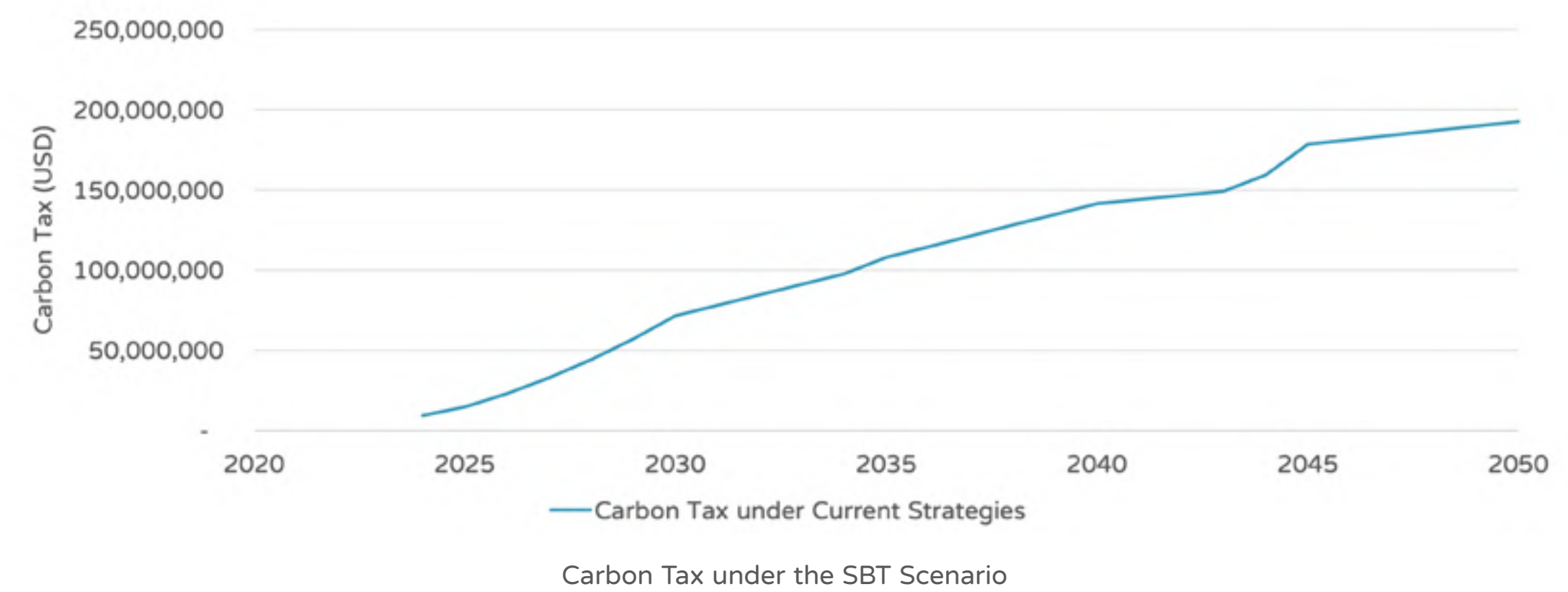


Comparison of Three Emission Pathways

2.3.3.3 Scenario Analysis: WISTRON's Current Strategies Vs. SBT Scenario

The SBT scenario aligns with the strictest 1.5°C transition pathway (requires 90% emissions reduction by 2030 and then 90% reduction by 2050). This scenario assumes the highest applicable carbon tax/fee parameters and the steepest decarbonization pathways. Even after achieving the required 90% reduction, WISTRON may still need to rely on Beyond Value Chain Mitigation (BVCM) to reach net-zero emissions.

Since the SBT scenario is assessed at the group level, we do not consider decarbonization targets at the factory level. The analysis focuses on the gap between the SBT scenario and emissions under current WISTRON strategies or local transition scenarios, and applies the carbon taxes from the SSP1-1.9 scenario. Results from the simulation show that WISTRON will be required to pay US\$200 million in carbon taxes.



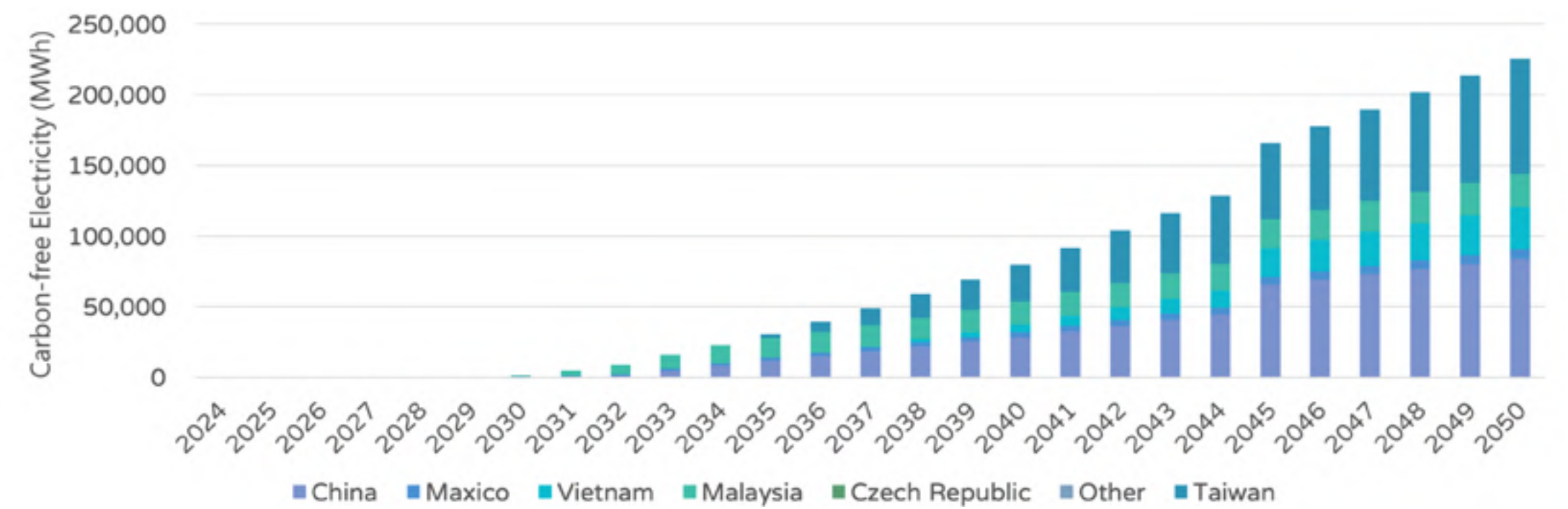
2.3.3.4 Scenario Analysis: WISTRON Achieves SBT

At present, our path to meeting our SBT does not require BVCM, as residual emissions after a 90% reduction still exceed 10% of our base year emissions (10% equals 21,187 tCO₂e, which is higher than WISTRON's current Scope 1 emissions of 12,200.39 tCO₂e). To simulate the evolution where WISTRON first aligns with local transition scenarios and then meets SBTs, locations will achieve 100% carbon-free electricity use according to the following order.

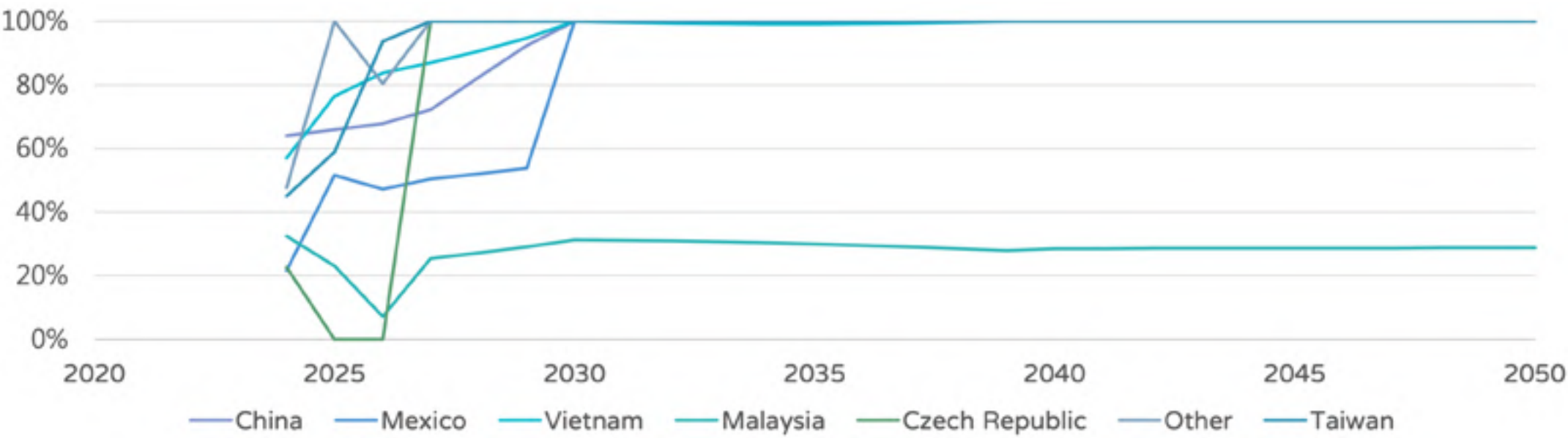
Regional Priority and Rationale for Procuring Carbon-Free Electricity

Priority for Carbon Reduction	Reason
1 China	Largest share of emissions, cost-effective carbon-free electricity
2 Mexico	Low-cost carbon-free electricity
3 Vietnam	High emission share, high emission factor for conventional electricity
4 Malaysia	High emission share, high emission factor for conventional electricity
5 Czech Republic	Lower emission factor for conventional electricity
6 Other	Small share of emissions, already has significant carbon-free electricity procurements
7 Taiwan	Currently the highest price for carbon-free electricity

We were then able to calculate additional carbon-free electricity that each location would need to procure to meet our SBTs. WISTRON locations in China would have to procure the highest amount of carbon-free electricity at nearly 500 million kWh to reach nearly 100% carbon-free electricity by 2028. Other locations are required to start purchasing carbon-free electricity in 2028. By 2028, all locations, except Taiwan, require 100% carbon-free electricity (to align with the latest SBTi Net Zero Standard Version 2).



(a) Carbon-free Electricity Purchases by region

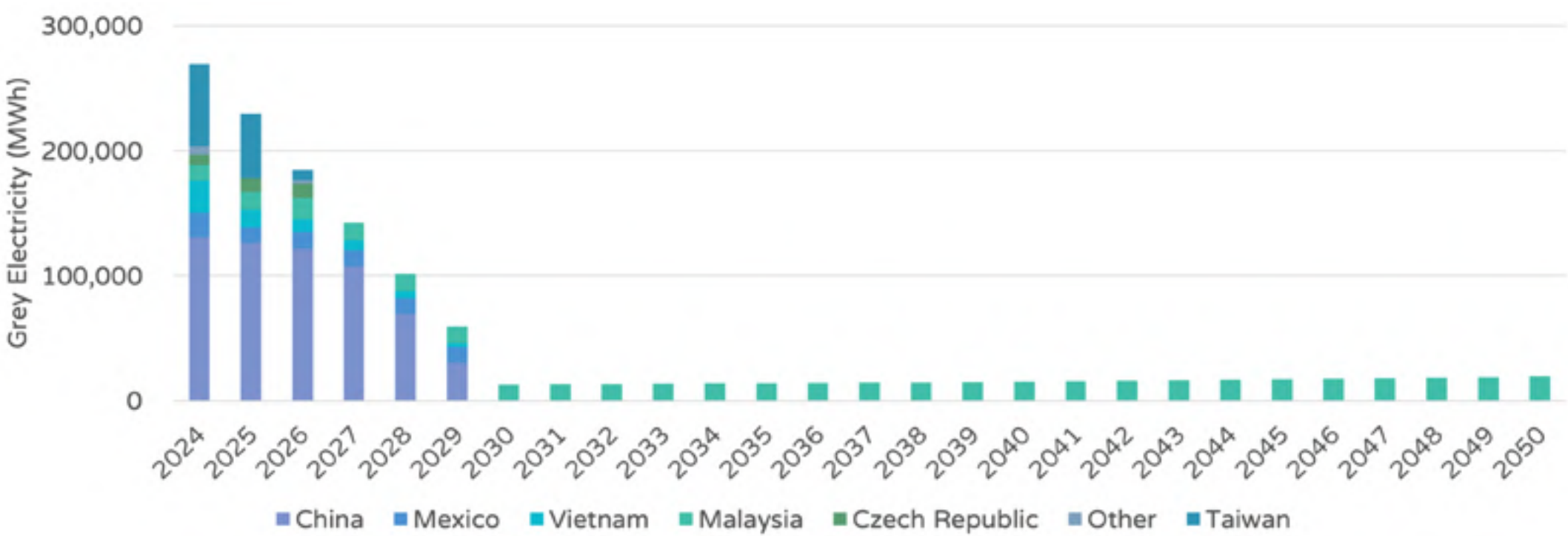


(b) Carbon-free electricity ratio by region

We can estimate the additional costs required for purchasing carbon-free electricity based on existing electricity use. Under the assumed parameters, the cost of carbon-free electricity in Mexico, the Czech Republic, and certain other plants is lower than the current average electricity price, resulting in negative values. However, the majority of expenses are concentrated in China (because of our sizable purchases) and Taiwan (because renewable energy is significantly more expensive than traditional electricity). To meet our SBT target in 2030, Wistron is expected to have no additional spending required under the implementation of the company’s current strategies, as the current strategies are expected to be more ambitious than the SBT target. However, with continued growth in electricity consumption, this figure is projected to rise to around US\$6.73 million by 2050.



Additional Costs of Carbon-free Electricity Purchase to Achieve SBT



Grey Energy Remaining to be Reduced to Achieve SBT

The estimated total cost of achieving our SBT primarily consists of expenses associated with current strategies that will be incurred before 2030. The total cost in 2030 is approximately US\$33 million, after which the cost burden will shift to the cost of additional procurement of carbon-free electricity. By 2050, this cost is projected to approach US\$40 million.

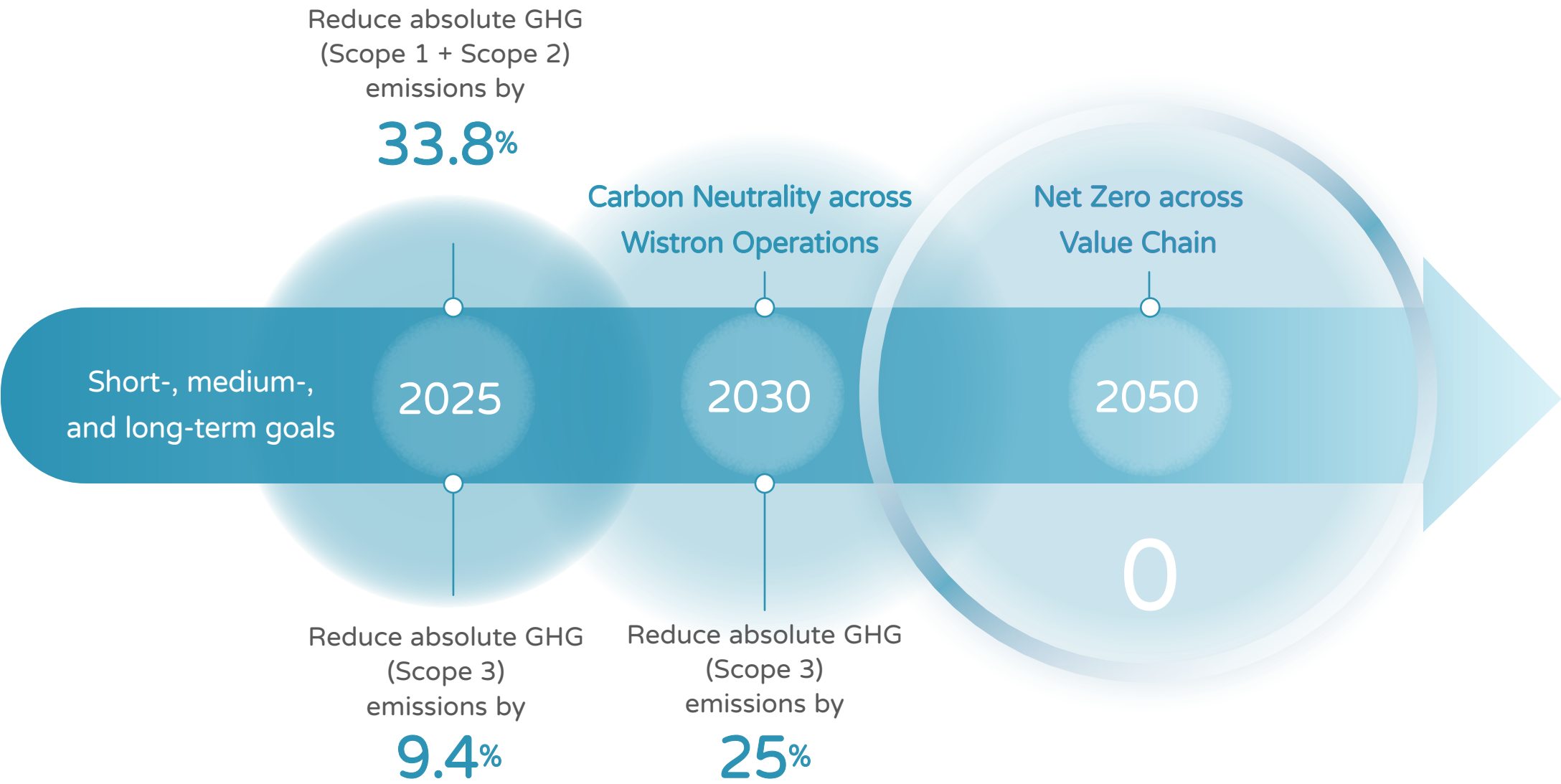


Cost Analysis for Achieving SBT

2.4 Climate Targets & Visions

In 2022, Wistron voluntarily adopted the SBTi Net-Zero Standard and set science-based targets in response to the Paris Agreement’s goal of limiting global warming to 1.5°C above pre-industrial levels. Our SBTs were officially approved by SBTi in April 2024. We are committed to achieving carbon neutrality across Wistron’s operations by 2030 and net-zero emissions across the entire value chain by 2050. Based on this vision, we have established both near-term and long-term targets:

- **Near-term target** : By 2030, reduce absolute Scope 1 and Scope 2 GHG emissions by 90% compared to the 2022 base year. Also by 2030, reduce absolute Scope 3 GHG emissions from purchased goods and services and the use of sold products by 25%.
- **Long-term target** : From 2030 to 2050, maintain a 90% reduction in absolute Scope 1 and Scope 2 GHG emissions from the base year of 2022, and achieve a 90% reduction in absolute Scope 3 GHG emissions, also from the base year of 2022.



SBT	2022	2023	2024	2025	2026	2027	2028	2029	2030
Absolute Reduction Target	Base Year	13%	22.5%	33.8%	45%	56.3%	67.5%	78.8%	90%
Achievement	Base Year	14.84%	33.8%	-	-	-	-	-	-

By setting SBTs, we demonstrate our concern and commitment to global climate change issues and the transition to a low-carbon economy. To enforce decarbonization efforts, we continue to increase our use of renewable energy, improve energy efficiency, develop low-carbon products, and adopt internal carbon pricing mechanisms, aligning our efforts with the 1.5°C emissions reduction pathway. In 2024, direct emissions and indirect energy emissions (market-based) from Wistron’s global operations amounted to 68,194.78 tCO₂e, marking a 58.7% reduction compared to the base year. This was mainly driven not only by the implementation of energy-saving and technical improvement projects at global locations, but more importantly, by aggressive efforts to increase our use of renewable energy through the installation of solar power facilities, signing PPAs with green energy providers, and purchasing Renewable Energy Certificates (RECs). Scope 3 emissions saw a reduction of approximately 8.2% compared to the base year, with the majority of emissions deriving from Category 1 emissions from purchased goods and services. To reduce Category 1 emissions, we have developed a PCF (Product Carbon Footprint) system to identify carbon hotspots in products or components, enabling R&D teams to reduce product carbon emissions and optimize procurement strategies. Additionally, we are working closely with our upstream and downstream business partners to decarbonize the supply chain. We have invited 30 key suppliers to participate in the WiZero (Wistron Zero Carbon Emission) low-carbon smart manufacturing platform and low-carbon supply chain initiative. Through carbon accounting (data dimension), knowledge-sharing on decarbonization practices (knowledge dimension), and expert guidance on energy-saving technical upgrades (technical dimension), we support supply chain partners in progressing toward science-based emissions reduction targets. Since the launch of WiZero in June 2023 to the end of 2024, the initiative has achieved a cumulative emissions reduction of 10,742 tCO₂e, surpassing the target of 8,100 tCO₂e set for 2024. In addition, we are actively engaging in Beyond Value Chain Mitigation (BVCM) efforts. In partnership with professional external partners, we have officially launched a forest carbon sink project. Through developing the project, direct investment, or carbon credit purchases from the market, we aim to obtain SBTi-recognized carbon credits. We are also evaluating the potential of investing in carbon removal technologies to offset residual emissions that cannot be eliminated, ultimately contributing to our net-zero vision.

3. Wistron & Nature

3.1 Adoption of the TNFD Framework & LEAP Approach

3.2 Site Analysis

3.2.1 Wistron Locations in Taiwan

3.2.2 Wistron Global Locations

3.3 Analysis on Nature Dependence & Impact

3.3.1 Dependence on Nature

3.3.2 Nature Dependence: Post-Adaptation
Management, Metrics & Objectives

3.3.3 Impact on Nature

3.3.4 Nature Impact: Post-Adaptation
Management, Metrics & Objectives

3.4 Nature-related Risks & Opportunities

3.4.1 Risks of Dependency on Natural Capital

3.4.2 Opportunities of Dependency on Natural Capital

3.4.3 Risks of Impact on Natural Capital

3.4.4 Opportunities of Impact on Natural Capital

3.4.5 Biodiversity Loss Rate



Black-winged Stilt

The black-winged stilt is a common winter visitor and an uncommon resident bird in Taiwan. Its most notable feature is its extremely long legs, which are red. The plumage from the head to the neck varies, with some being entirely white and others having black around the eyes, head, and nape. The forehead is white, and the beak is long and pointed. Wistron enhances public awareness and support for ecological protection through long-term conservation efforts.



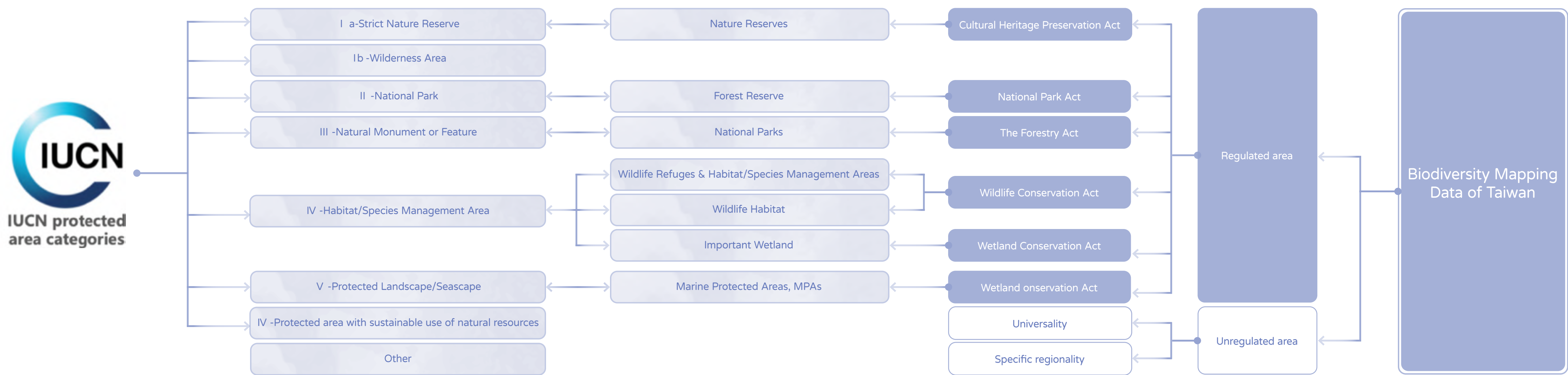
3. Wistron & Nature

Human economic activities are highly dependent on nature's services. According to the World Economic Forum (WEF), over 50% of global GDP is moderately or highly dependent on biodiversity. As environmental conservation gains increasing attention, assessing the impact of business operations on the natural environment has become more crucial than ever. This chapter presents a biodiversity impact assessment covering 11 Wistron locations. The analysis is further divided into two categories: Wistron locations in Taiwan and around the world. The methodology defines a two-kilometer radius buffer zone around each Wistron location to represent its potential area of impact. These buffer zones are then overlaid with maps on local conservation zones to identify and assess potential biodiversity impacts resulting from Wistron operations.

3.1 Adoption of the TNFD Framework & LEAP Approach

To enhance climate- and nature-related financial disclosures, Wistron has adopted the Taskforce on Nature-related Financial Disclosures (TNFD) framework and incorporated the LEAP (Locate, Evaluate, Assess, Prepare) approach to systematically identify, assess, and manage nature-related risks and opportunities. In the Locate phase, we analyze our supply chains and locations to identify key areas where business activities have significant impacts on nature. Biodiversity mapping data was sourced from the IUCN Protected Area Categories and relevant Taiwanese regulations on conservation zones. Using a fixed-radius buffer analysis, we then overlaid Wistron locations with biodiversity data to evaluate potential impacts such as pollution and noise, thereby identifying high-risk ecosystems. During the Evaluate phase, we evaluated the extent to which our operations depend on biodiversity and ecosystem services, and identified potential impacts. In the Assess phase, we further clarified nature-related risks and opportunities and integrated them into our enterprise risk management framework, ensuring that the impacts of natural capital changes are fully considered in business decision-making. Finally, in the Prepare phase, we formulated adaptation and mitigation strategies to support long-term sustainable operations, align with TNFD disclosure recommendations, enhance transparency, and build investor confidence.

IUCN Protected Area Categories & Protected Zones in Taiwan



3.2 Site Analysis

Taiwan's unique geographical characteristics have given rise to high ecological diversity, which is supported by comprehensive regulatory frameworks and protected areas. Therefore, Wistron's Taiwan locations are analyzed against both regulatory and non-regulatory protected areas. This analysis not only helps identify which protected areas may be impacted by business operations, but also allows for further evaluation of relevant legal requirements that may apply. Below, we will provide an overview of protected area maps for Taiwan and related analysis.

Overview of Taiwan's Protected Areas

Wistron has taken stock of protected areas established by Taiwan’s ecological conservation regulations and non-governmental organizations. A total of nine types of protected areas were identified. To align with international analysis methodologies, Wistron analyzed the purpose and conservation targets of each protected area and aligned them with the International Union for Conservation of Nature (IUCN) categories.

Overview of IUCN Protected Areas

The IUCN protected area categories is currently the most widely adopted global system for classifying protected areas. It includes spatial data on designated protected areas from countries around the world, divided into eight categories: Ia. Strict Nature Reserve, Ib. Wilderness Area, II. National Park, III. Natural Monument or Feature, IV. Habitat or Species Management Area, V. Protected Landscape or Seascape, and VI. Protected Area with Sustainable Use of Natural Resources. Additionally, the IUCN also covers areas that are Not Reported or Not Assigned, which can be found in the table below. These data are submitted to the World Conservation Monitoring Centre (WCMC), under the United Nations Environment Programme (UNEP), and serve as part of the World Database on Protected Areas (WDPA).

Overview of Key Biodiversity Areas

Jointly proposed by the IUCN and several international conservation organizations, Key Biodiversity Areas (KBAs) aim to identify the most important places in the world to global diversity. The concept is grounded in scientific standards such as ecosystem integrity, species rarity, and the level of threat to biodiversity across a wide range of ecosystems, such as forests, grasslands, marine environments, and freshwater habitats. KBAs hope to provide a basis for spatial

planning for the conservation and recovery of biodiversity, to thereby support the achievement of global environmental targets, including the Aichi Biodiversity Targets and the subsequent Kunming-Montreal Global Biodiversity Framework under the Convention on Biological Diversity (CBD). KBA conservation efforts focus on preventing negative impacts from human activities on biodiversity hotspots to safeguard the habitats of critical species. This includes prohibiting overdevelopment, controlling sources of pollution, curbing illegal poaching, and enhancing ecological monitoring for these areas. Moreover, the KBA Programme emphasizes collaboration with local communities to promote sustainable use and ecotourism, aiming to strike a balance between conservation and development. As of 2024, there are 16,510 designated KBAs globally, covering a total area of approximately 22,230 square kilometers.

In addition, the IUCN Red List of Threatened Species is an indicator of the health of the world's biodiversity. Since its first publication in 1964, it has served a critical role in informing conservation efforts. The primary objective of the IUCN Red List is to assess and classify the conservation status of our planet's species, including animals, plants, fungi, and micro-organisms. The species are classified into various conservation categories based on a range of criteria, such as population size, trends, geographic distribution, population structure, habitat requirements, and specific threats. These categories include: Extinct (EX), Extinct in the Wild (EW), Critically Endangered (CR), Endangered (EN), Vulnerable (VU), Near Threatened (NT), Least Concern (LC), and Data Deficient (DD). These designations reflect the level of risk and threat a species faces, with the number of species classified as CR, EN, or VU commonly used as indicators of biodiversity under threat. The frequent updates to the Red List and the involvement of scientists from around the world ensure the objectivity and scientific accuracy of the IUCN Red List. By providing timely conservation information, the Red List fosters global cooperation, raises awareness of ecosystem and species conservation, and encourages public participation in efforts to protect the planet’s endangered biodiversity.

Overview of the Ramsar Convention

The Ramsar Convention on Wetlands, signed in 1971 in Ramsar, Iran, is the first global convention aimed at the protection of wetlands of international importance and their resources. Wetlands are among the world's most productive ecosystems, providing habitats for an incredible range of species and offering functions such as water regulation, flood mitigation, and carbon sequestration. However, they are increasingly threatened by urbanization, agricultural expansion, and pollution. Conservation efforts under the Ramsar Convention emphasize maintaining the ecological integrity and functionality of wetlands, particularly in preserving the habitats of waterbirds and species unique to wetlands. The Convention also underscores the hydrological functions of wetlands, aiming to prevent damages to the wetland ecosystem from excessive water withdrawal or drainage. In addition, it highlights the symbiotic relationship between wetlands and local communities, advocating for sustainable management of wetland resources through the reasonable development of traditional fisheries and wetland tourism. As of 2024, there are 2,524 Ramsar wetlands worldwide, covering a total area of 257,501 square kilometers.

Overview of UNESCO

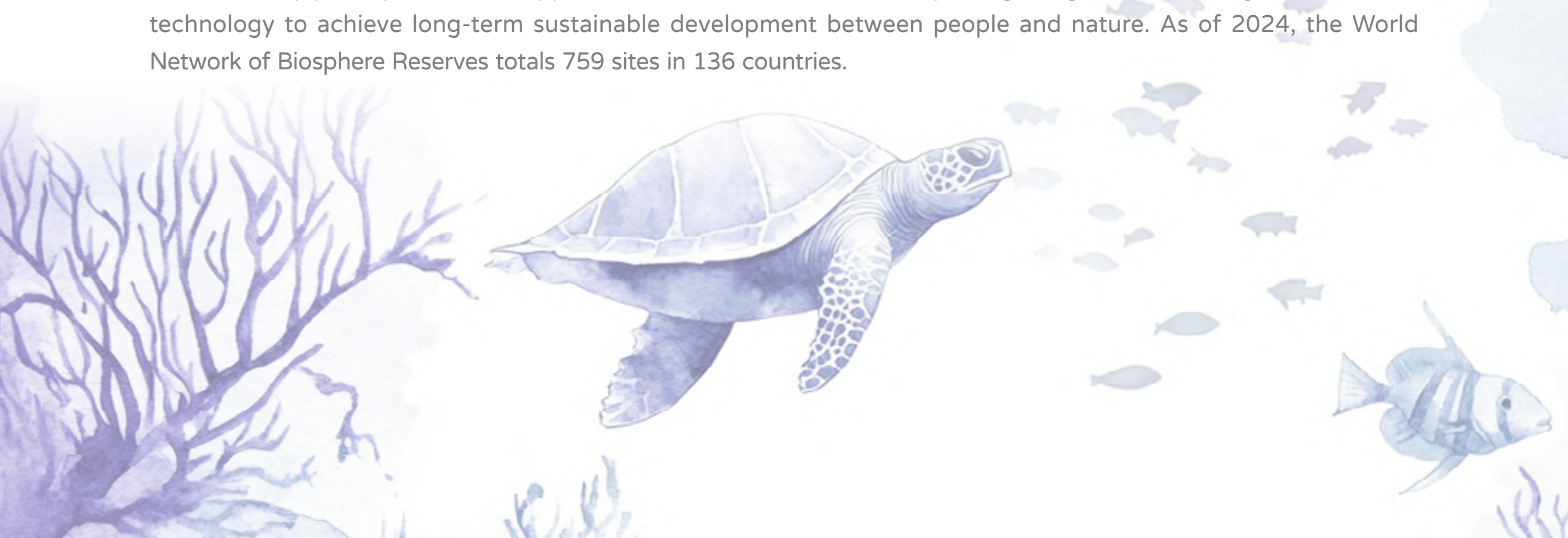
The United Nations Educational, Scientific and Cultural Organization (UNESCO) was established in the 1972 Convention concerning the Protection of the World Cultural and Natural Heritage and aims to protect cultural and natural heritage of outstanding universal value. The heritage sites reflect historical milestones human civilizations, cultural diversity, and natural wonders. Unfortunately, factors such as climate change, urbanization, and stress from tourism now threaten these heritage sites. The conservation of cultural heritage sites focuses on preserving their historical significance and integrity, while preventing damage from modern development or infrastructure projects. For natural heritage sites, the emphasis is on protecting ecosystems from threats such as illegal logging, habitat destruction, and species extinction. International collaboration and domestic policy support lies at the core of heritage site conservation. Meanwhile, UNESCO aims to raise public awareness and ensure local residents become active participants in conservation efforts. As of 2024, there are 1,223 World Heritage Sites across the globe.

Overview of the Man and the Biosphere Programme

The Man and the Biosphere Programme (MAB), initiated by UNESCO in 1971, is an interdisciplinary initiative aimed at reconciling the conservation of biodiversity with the needs of human development, promoting harmonious coexistence between people and nature. At the heart of the program is the establishment of biosphere reserves, which are zoned into core areas, buffer zones, and transition areas to enable both conservation and development. Conservation efforts in the MAB framework prioritize the protection of the core area’s native ecosystems, ensuring critical species and habitats remain undisturbed. In the buffer zones, eco-friendly activities such as scientific research, environmental education, and ecotourism are encouraged. While in the transition zones, sustainable development practices that reduce over-reliance on natural resources are supported. The program highlights the importance of community participation and support from the scientific community, integrating local knowledge with modern technology to achieve long-term sustainable development between people and nature. As of 2024, the World Network of Biosphere Reserves totals 759 sites in 136 countries.

IUCN Red List Conservation Status Categories

Conservation Status	Illustrate
Extinct, EX	A species is considered completely extinct when no individuals can be found in the wild or in captivity, indicating that it no longer exists anywhere in the world
Extinct in the Wild, EW	A species is extinct in the wild when it no longer exists in its natural habitat but survives in cultivation, captivity, or other managed environments. This status indicates that the wild population is no longer viable and the species can only be preserved through artificial means
Critically Endangered, CR	A species is classified as critically endangered when it faces an extremely high risk of extinction in the immediate future, often due to severe population decline caused by habitat loss, disease, climate change, or other threats
Endangered, EN	A species is considered endangered when it is at a very high risk of extinction in the near future, typically due to a significant and continuing decline in population size caused by various threat factors
Vulnerable, VU	A species is classified as vulnerable when it is at risk of becoming endangered. Although its population is relatively larger, it remains under threat and could move into a higher risk category without effective conservation efforts
Near Threatened, NT	A species is classified as near threatened when it does not currently meet the criteria for the higher-risk categories but is close to qualifying or is likely to qualify in the near future if the threats persist
Least Concern, LC	A species is classified as least concern when it is not currently facing significant threats, and its population is considered stable
Data Deficient, DD	A species is classified as data deficient when there is insufficient information available to make a direct or indirect assessment of its risk of extinction, often due to limited research or incomplete data

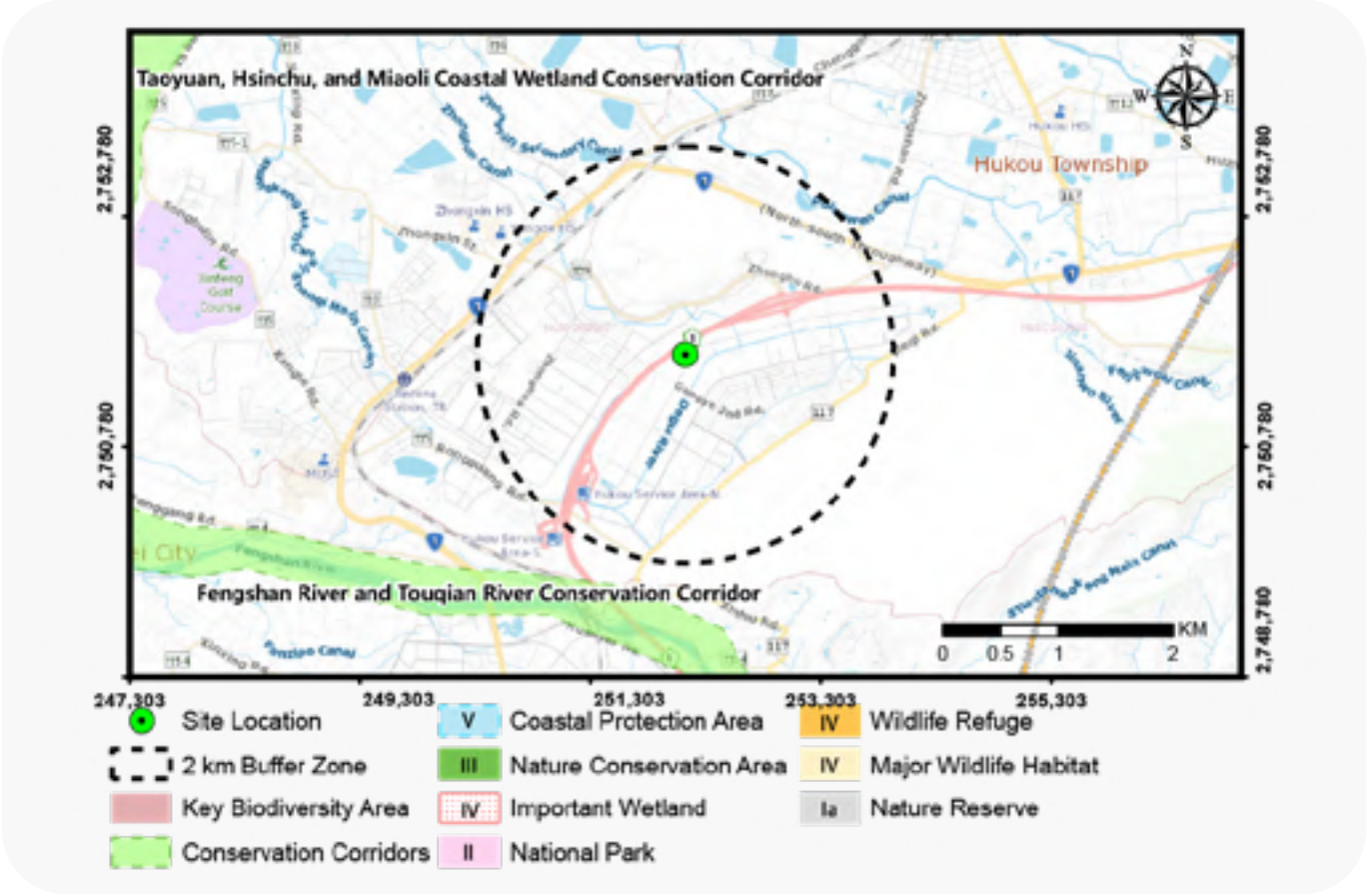


3.2.1 Wistron Locations in Taiwan

Biodiversity impact assessments of Wistron's Taiwan locations show that Wistron locations in Taiwan do not overlap with any conservation zones protected by regulations and, therefore, have little impact on biodiversity.



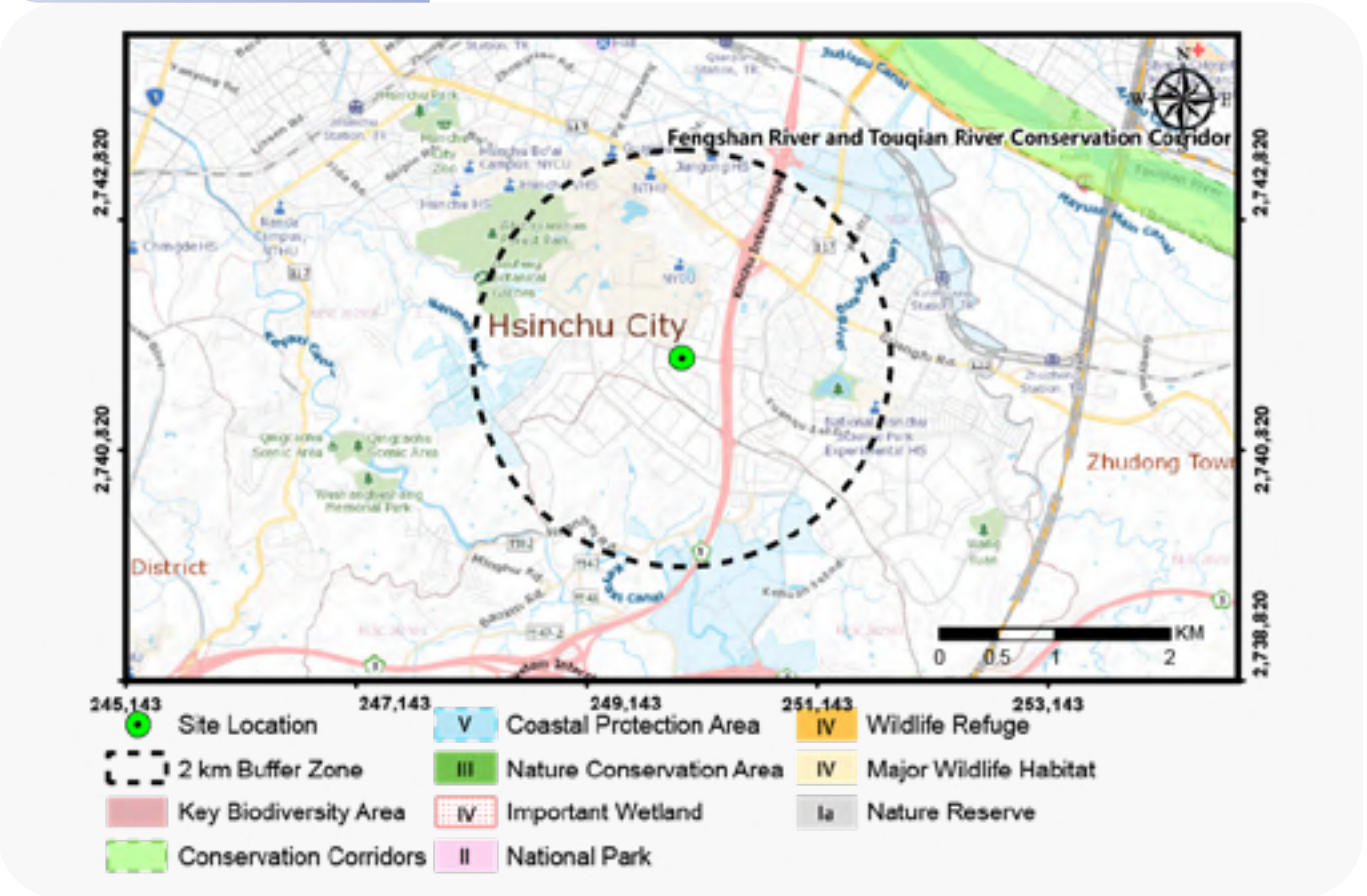
Hukou Plant



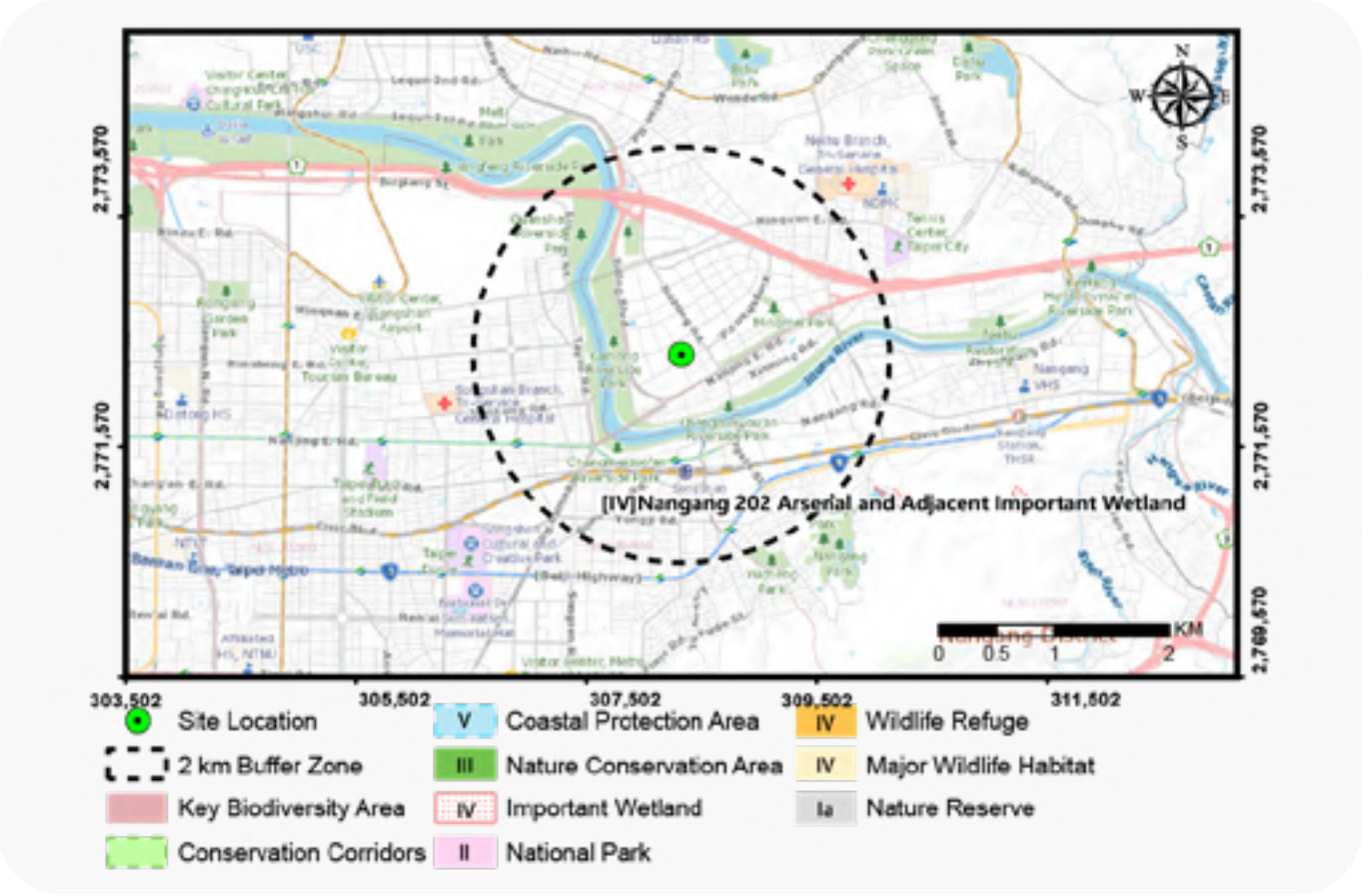
Kaohsiung Opto-Electronics Inc.



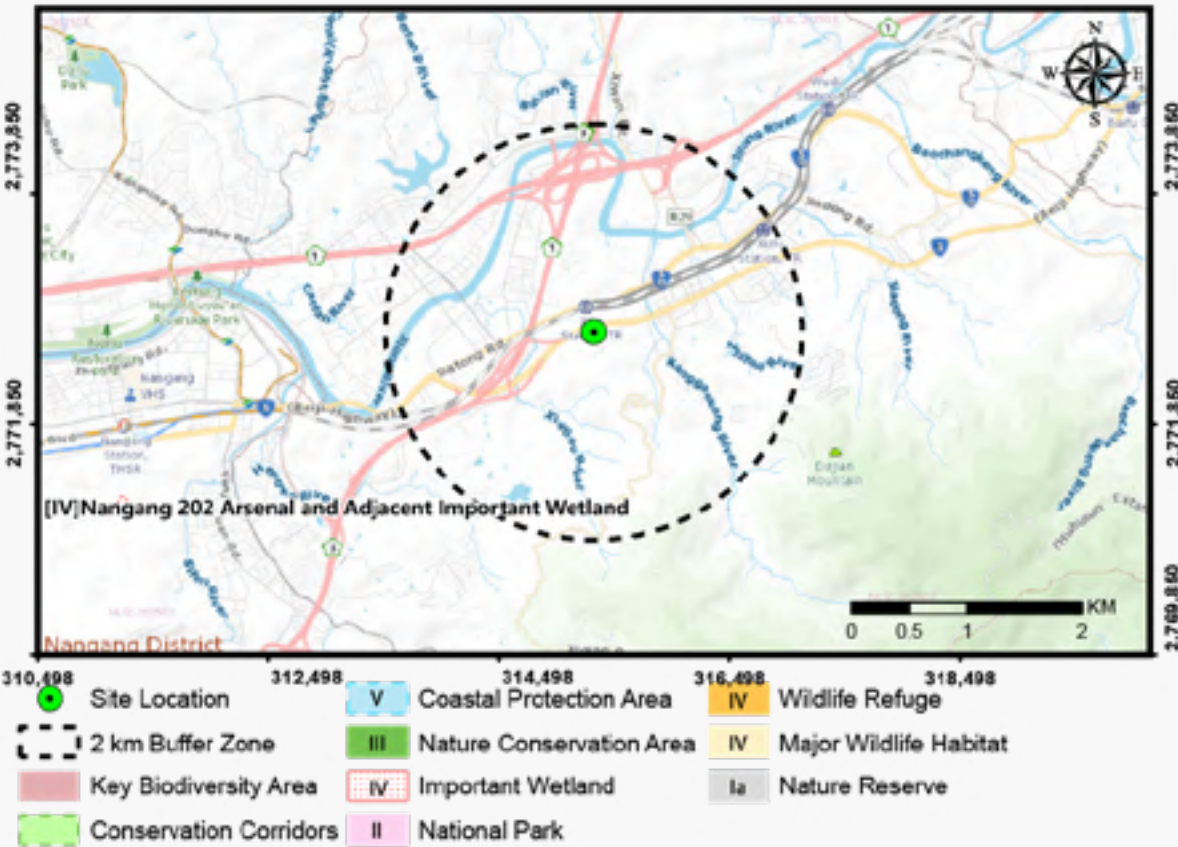
Hsinchu Plant



Neihu Headquarters



Xizhi Office



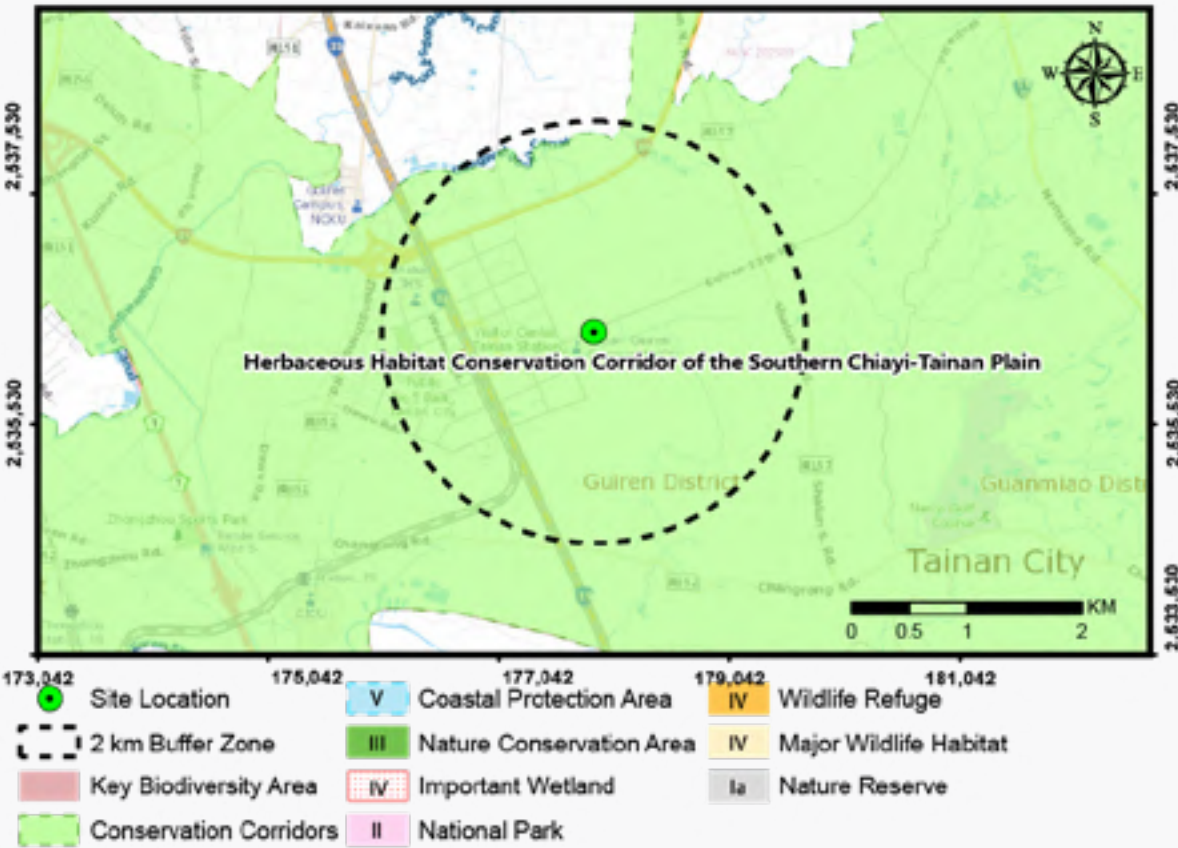
Kaohsiung Chenggong Office



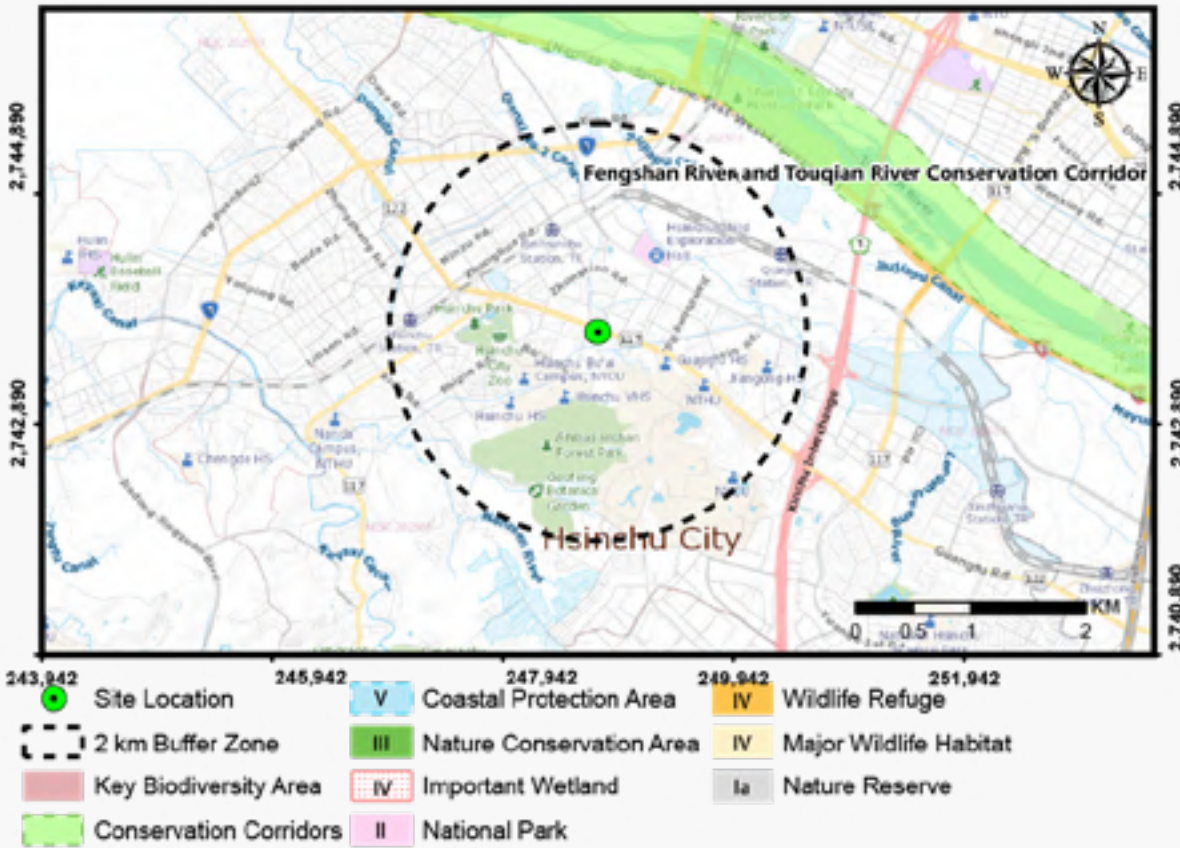
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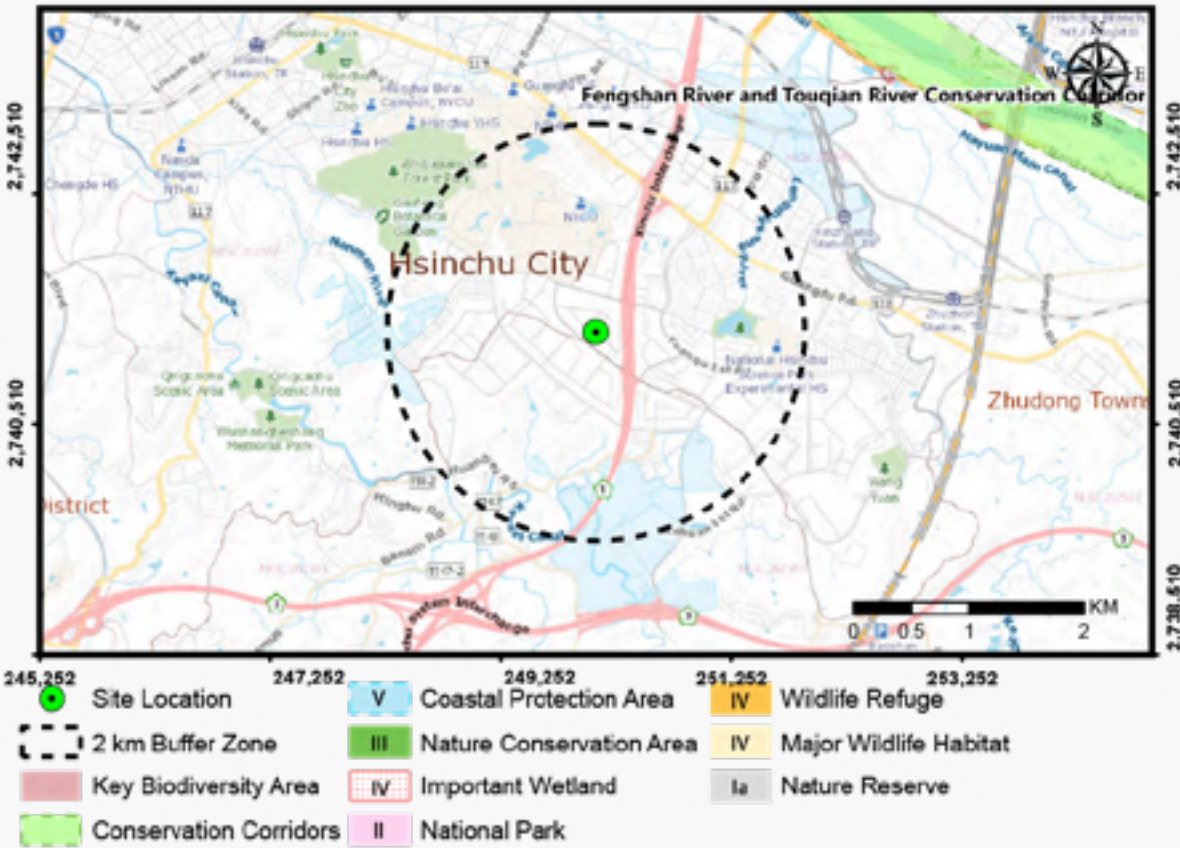
Tainan Office



Hsinchu Guangfu Office



Hsinchu Chuangxin Office



3.2.2 Wistron Global Locations

For global Wistron locations, we referenced IUCN maps and data on globally protected areas. The IUCN was established in 1948 and is the world longest and largest organization for environmental protection. Committed to biodiversity protection and sustainable development, it combines the forces of over 160 countries, 1,300 governments and NGOs, and tens of thousands of experts. The IUCN's contributions in managing and classifying protected areas is especially prominent. The IUCN categorizes protected areas into types Ia through VI, reflecting varying levels of conservation objectives and management approaches. Its classification serves as a scientific foundation for the designation and governance of protected areas worldwide and is broadly applied to national and international environmental policies, including the establishment of national parks, wetland reserves, and nature conservation zones. Additionally, the IUCN actively contributes to the development of international conservation networks, such as the Ramsar Convention on Wetlands and the World Heritage Convention, fostering international collaboration to protect biodiversity and important habitats, laying the foundations for addressing the global ecological challenge. Below details our analysis of global Wistron locations against IUCN information.

3.2.2.1 Global Wistron Locations: Biodiversity Impact Analysis (Protected Areas)

According to biodiversity impact analysis, one of Wistron's global locations was found to intersect with IUCN protected areas. This site is located in the Czech Republic and overlaps with two areas: Stránská skála [III] and Strnsk skla [-].

3.2.2.2 Global Wistron Locations: Cultural and Natural Heritage Sites

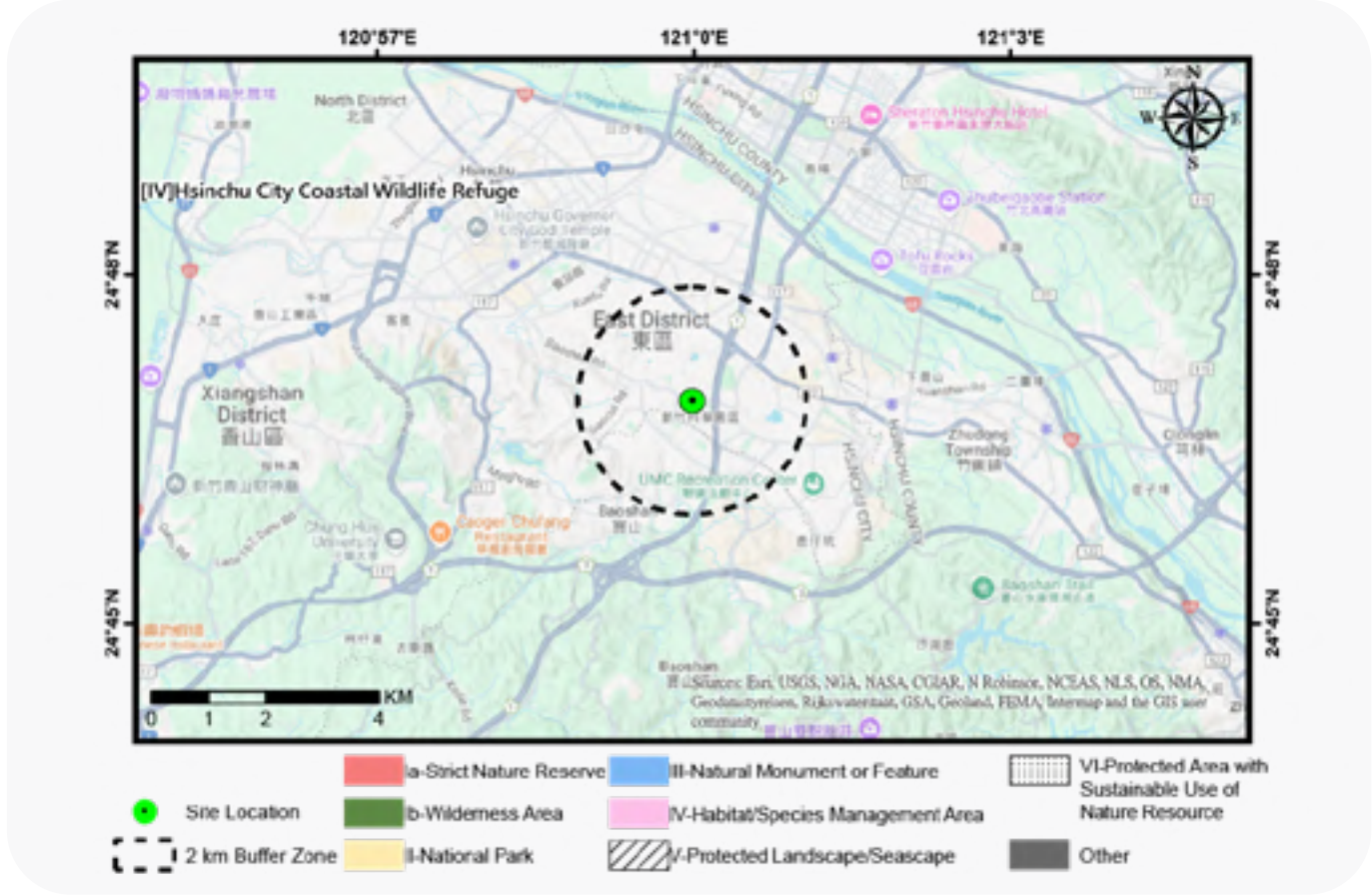
According to cultural and natural heritage site analysis, none of Wistron's global locations overlap with any cultural or natural heritage sites.

3.2.2.3 Global Wistron Locations: Biodiversity Impact Analysis (Endangered Species)

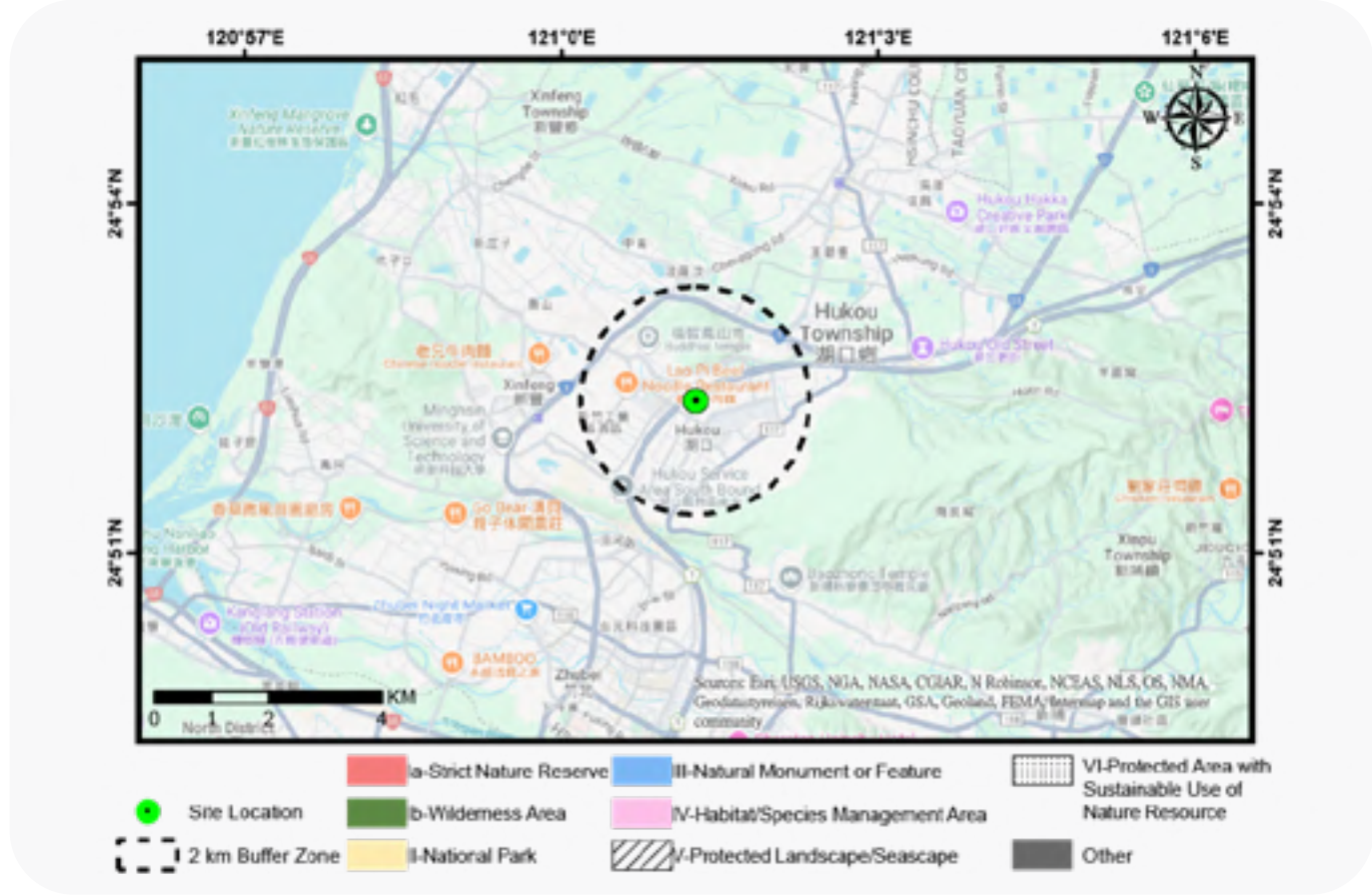
According to biodiversity impact analysis of 375 global Wistron locations, all locations intersect with species listed in the IUCN Red List, demonstrating potential impact risks. Among Wistron's 18 self-owned locations, the Mainland China locations demonstrated the highest threat level, overlapping with 119 species. However, Vietnam has the highest percentage of Critically Endangered species at 29%



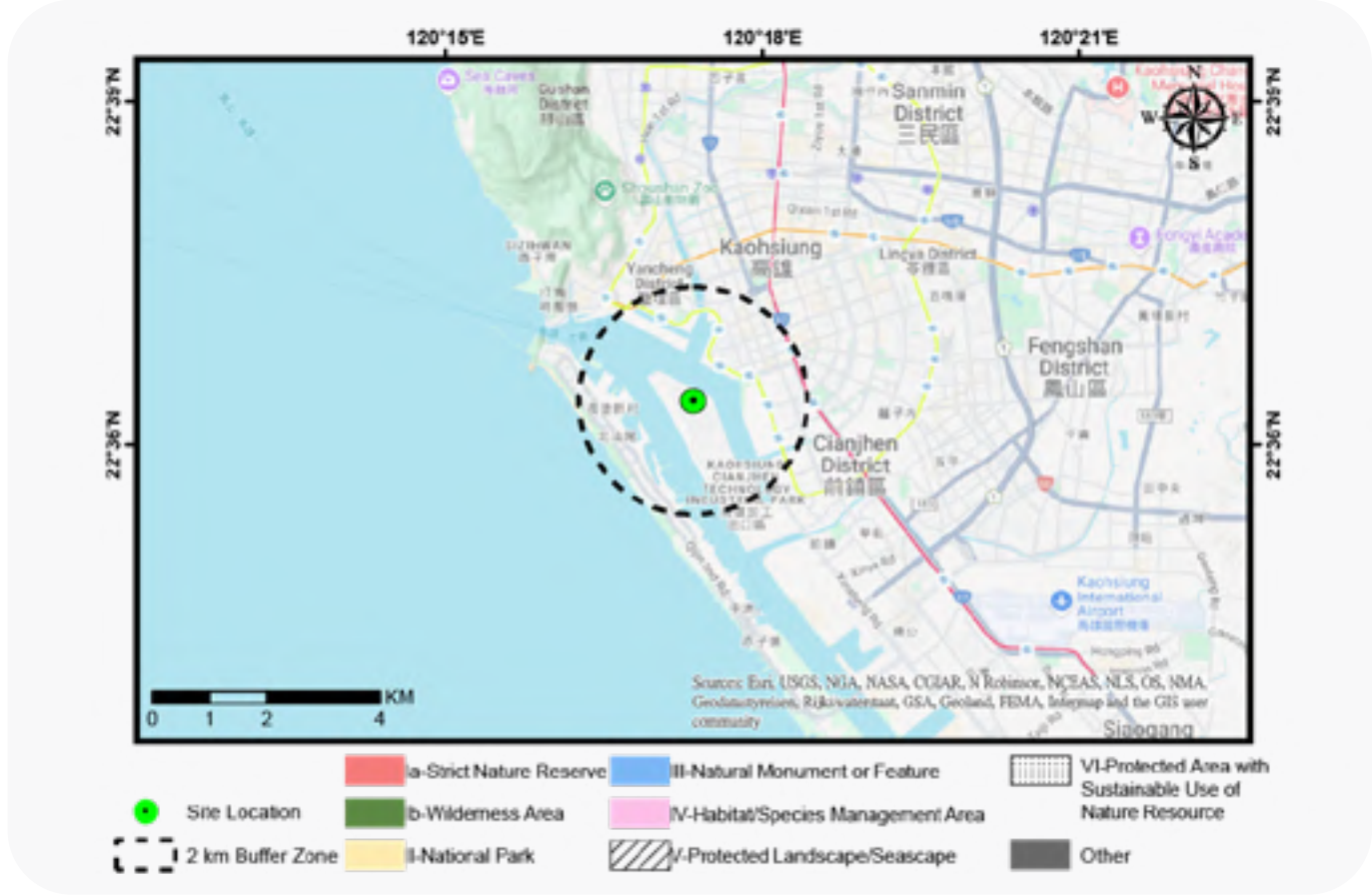
Hsinchu Plant



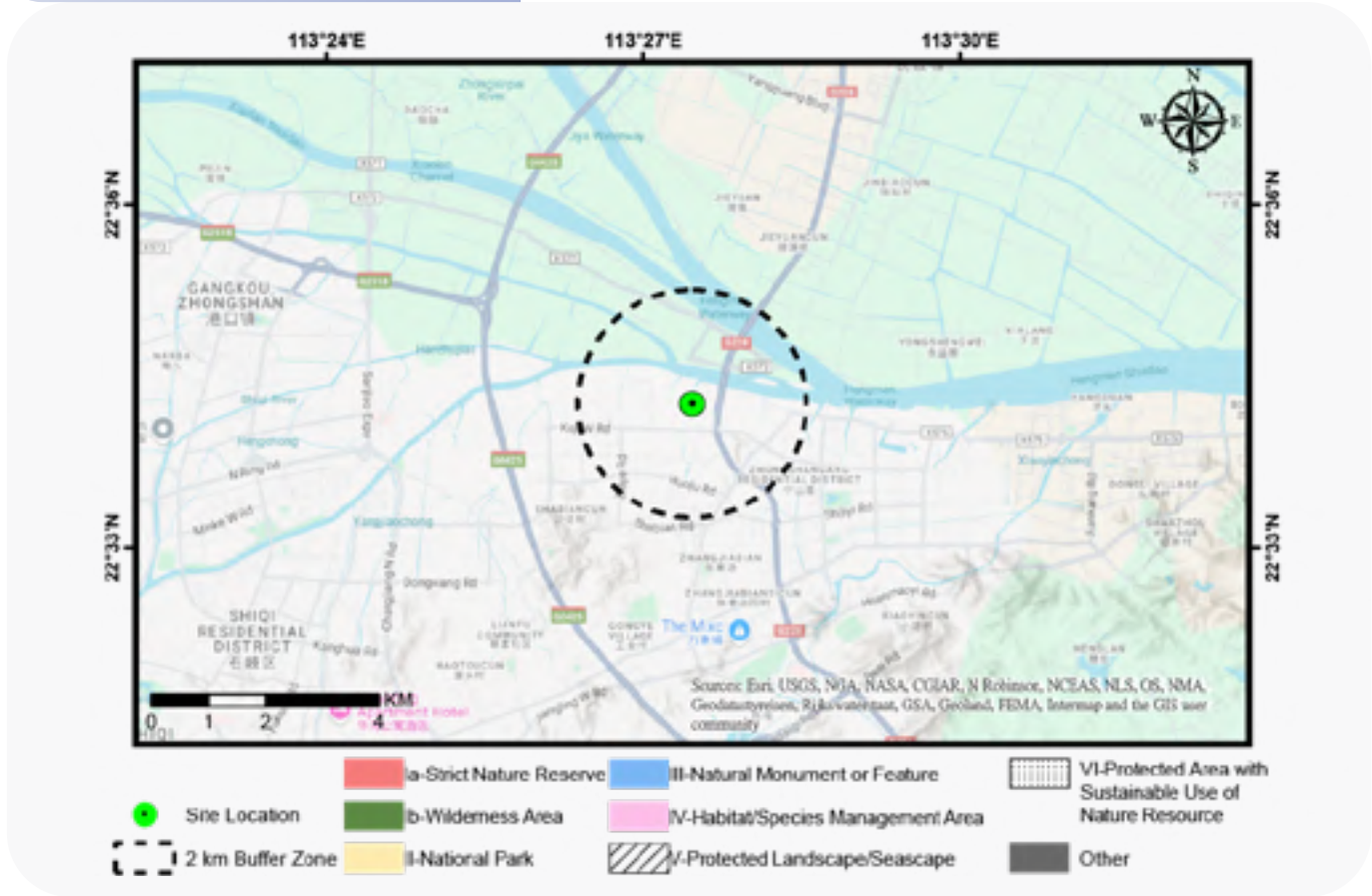
Hukou Plant



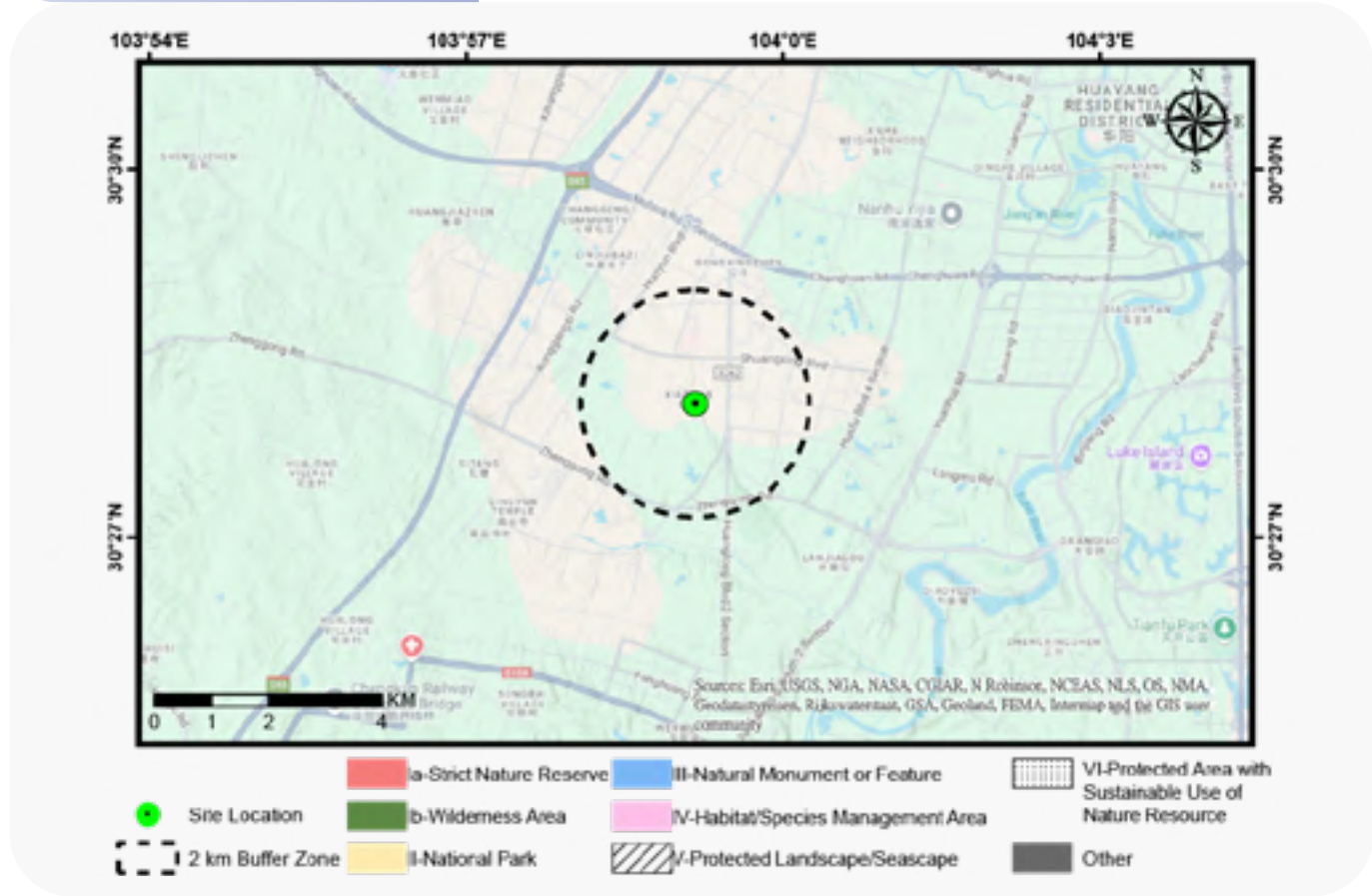
Kaohsiung Opto-Electronics Inc.



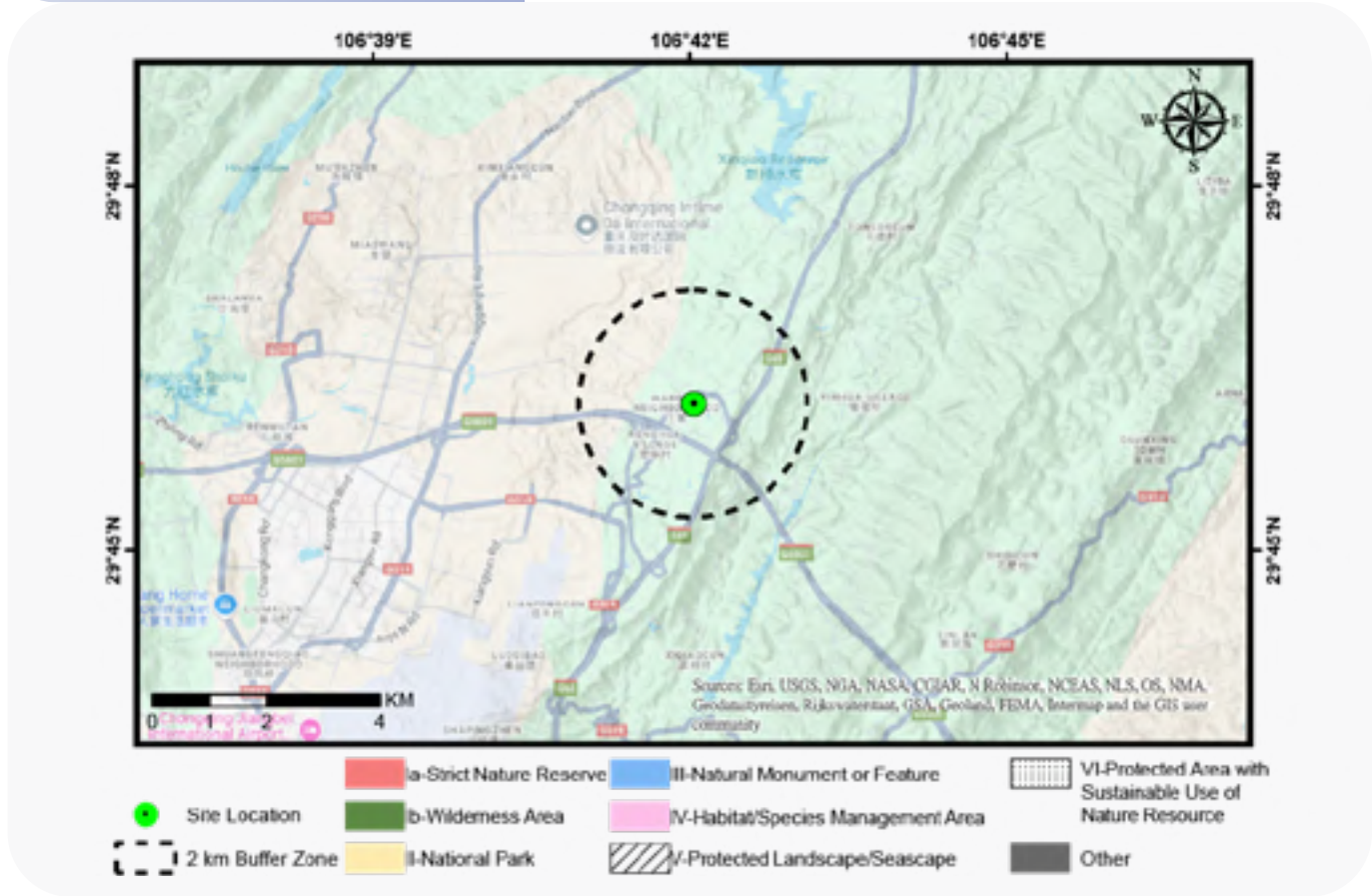
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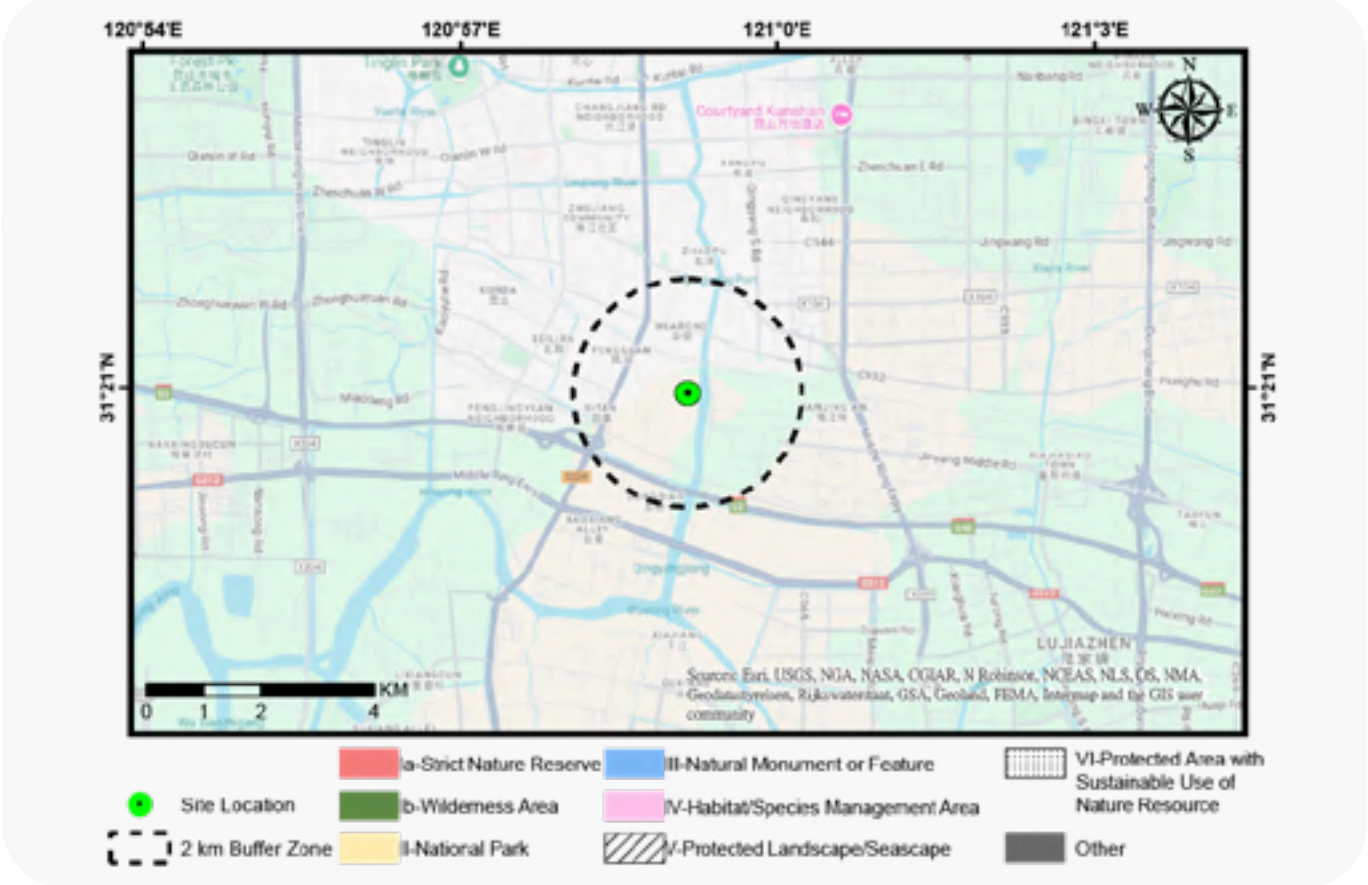
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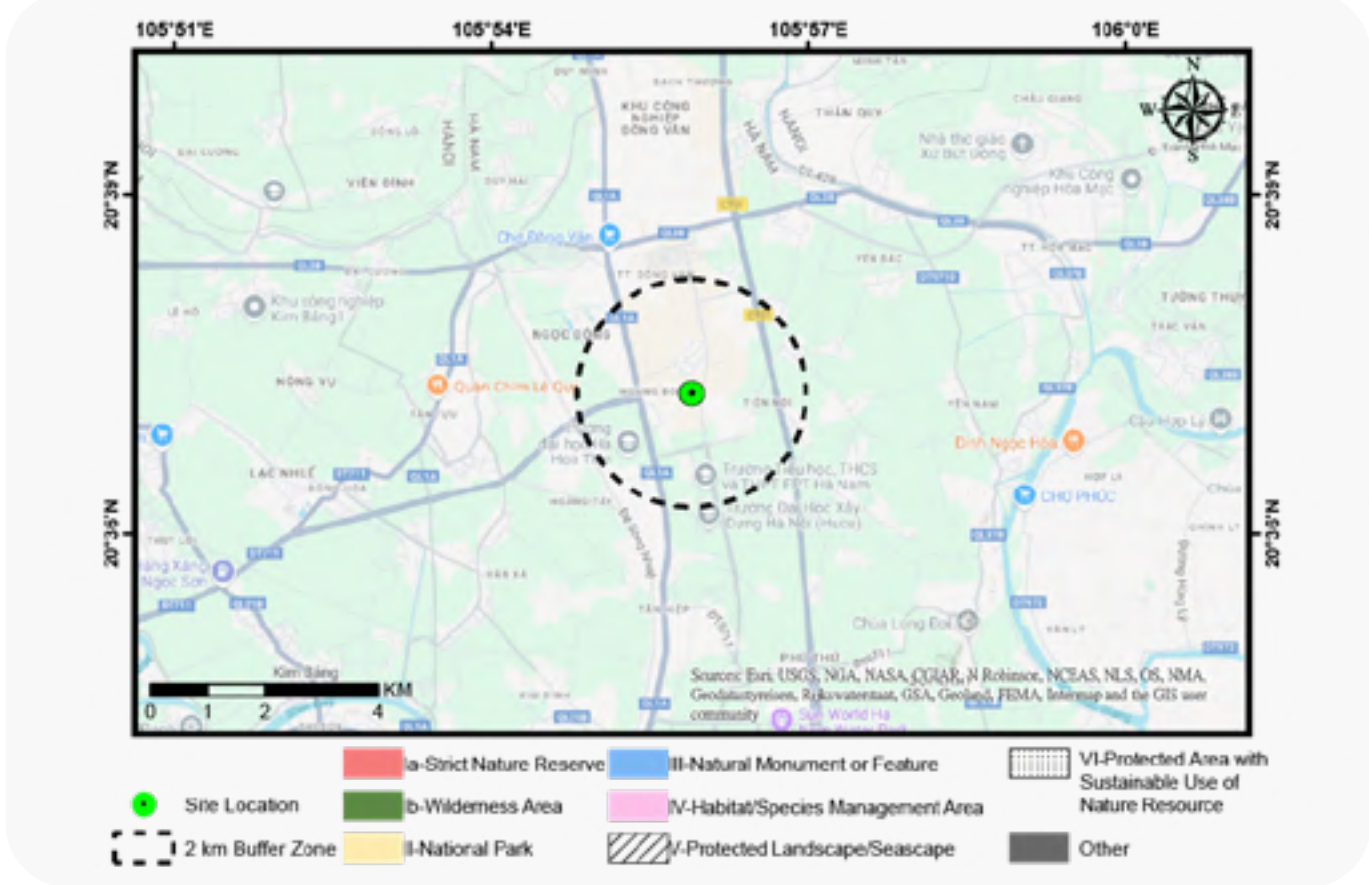
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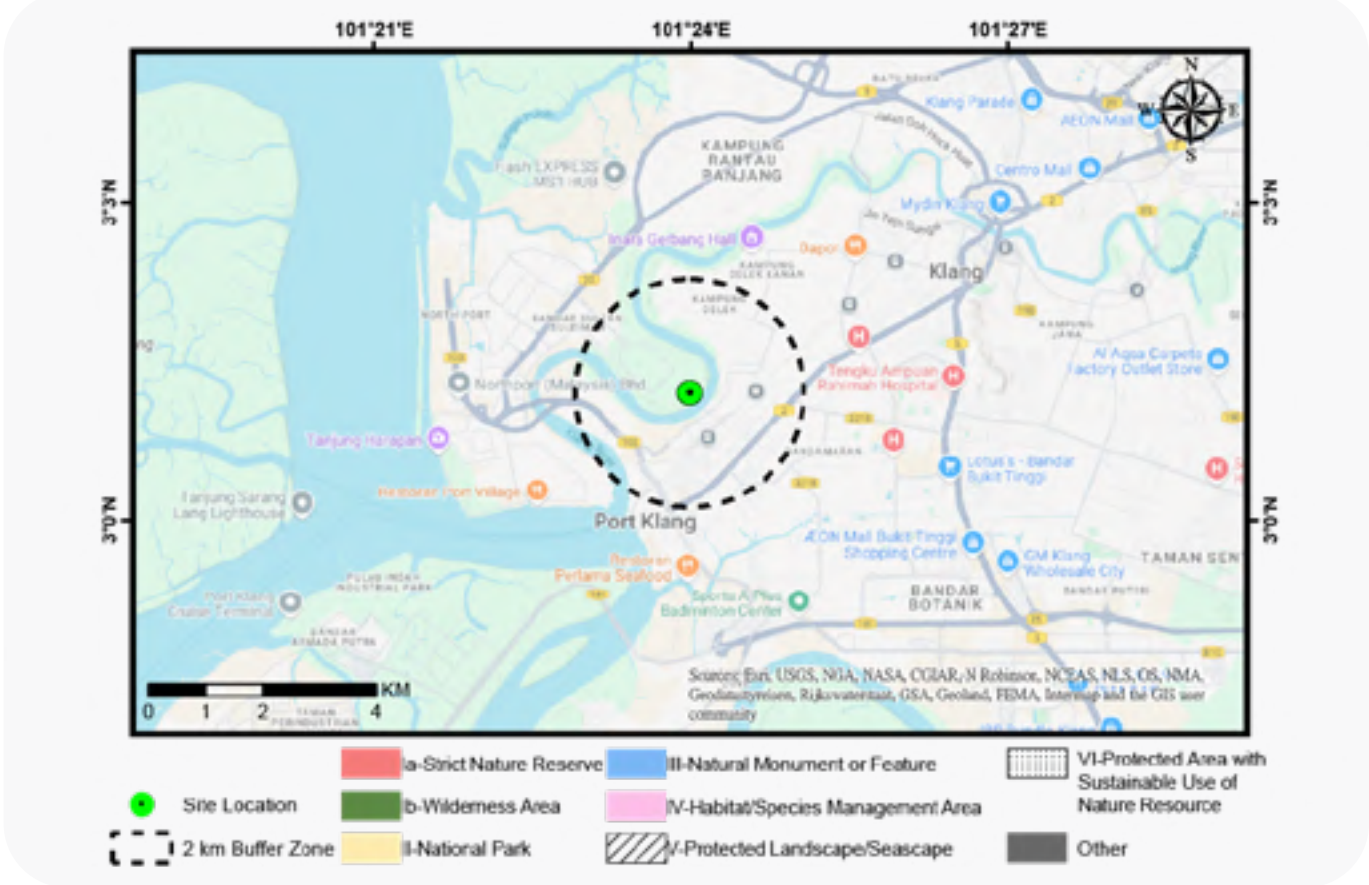
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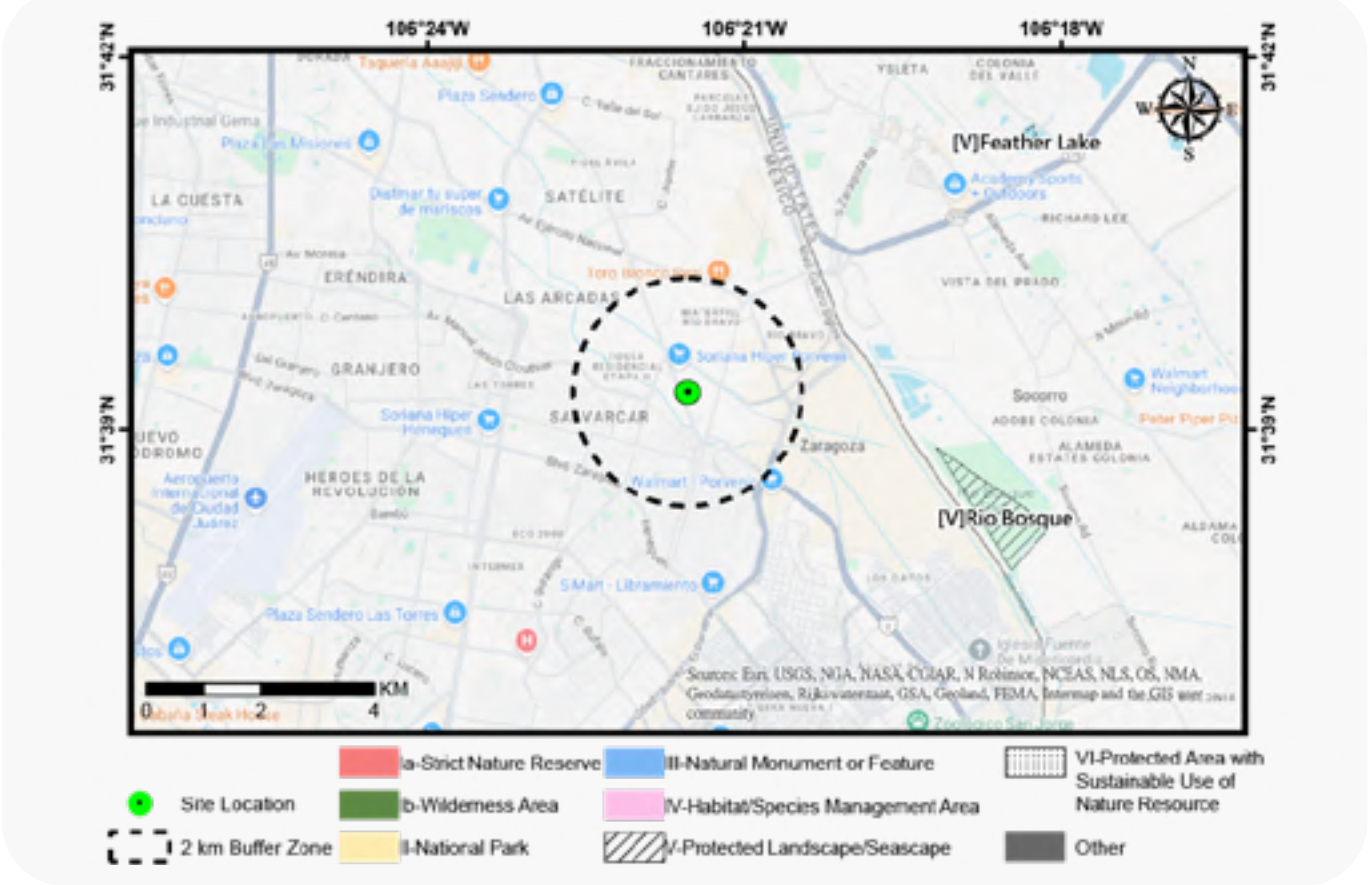
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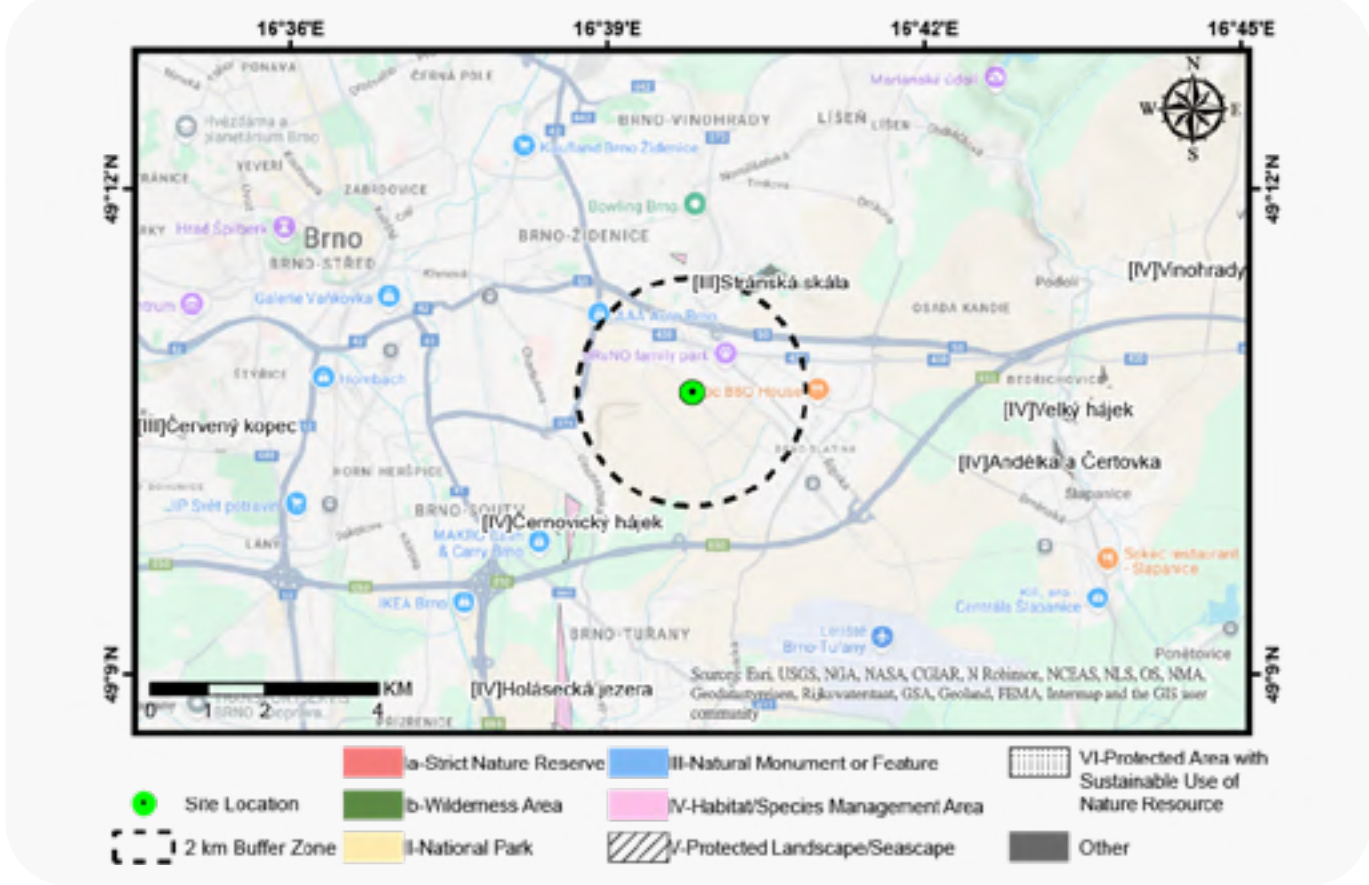
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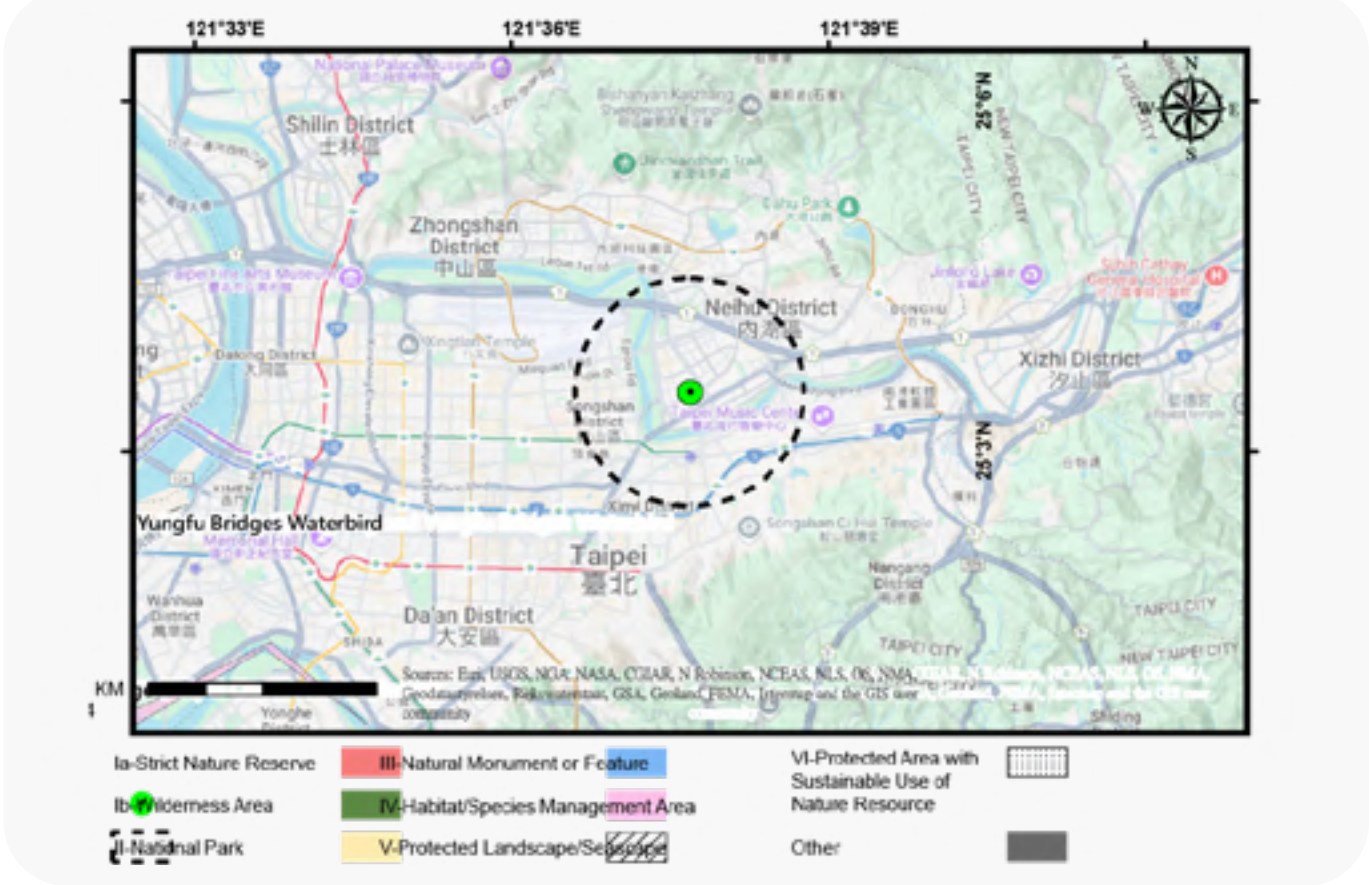
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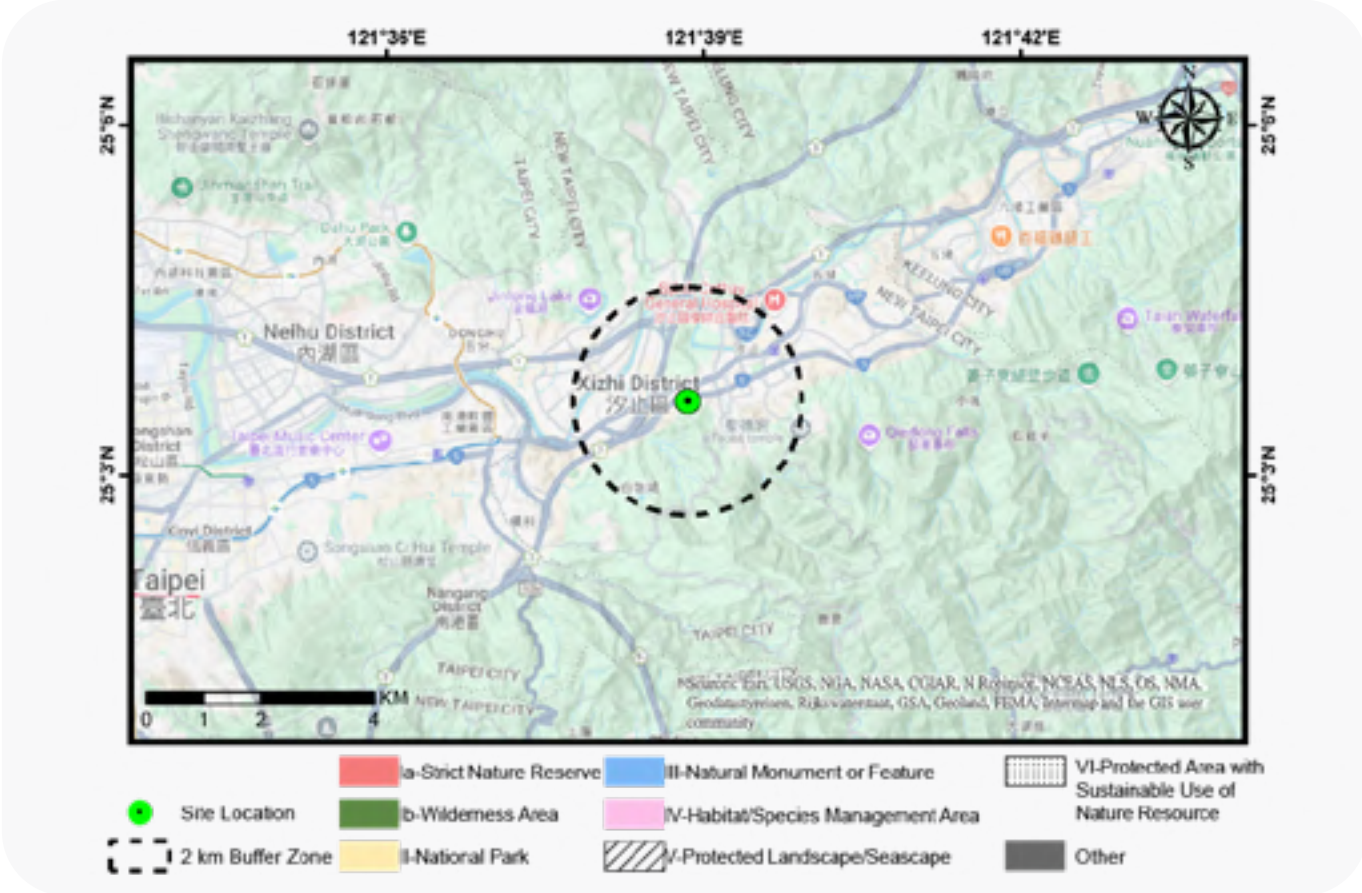
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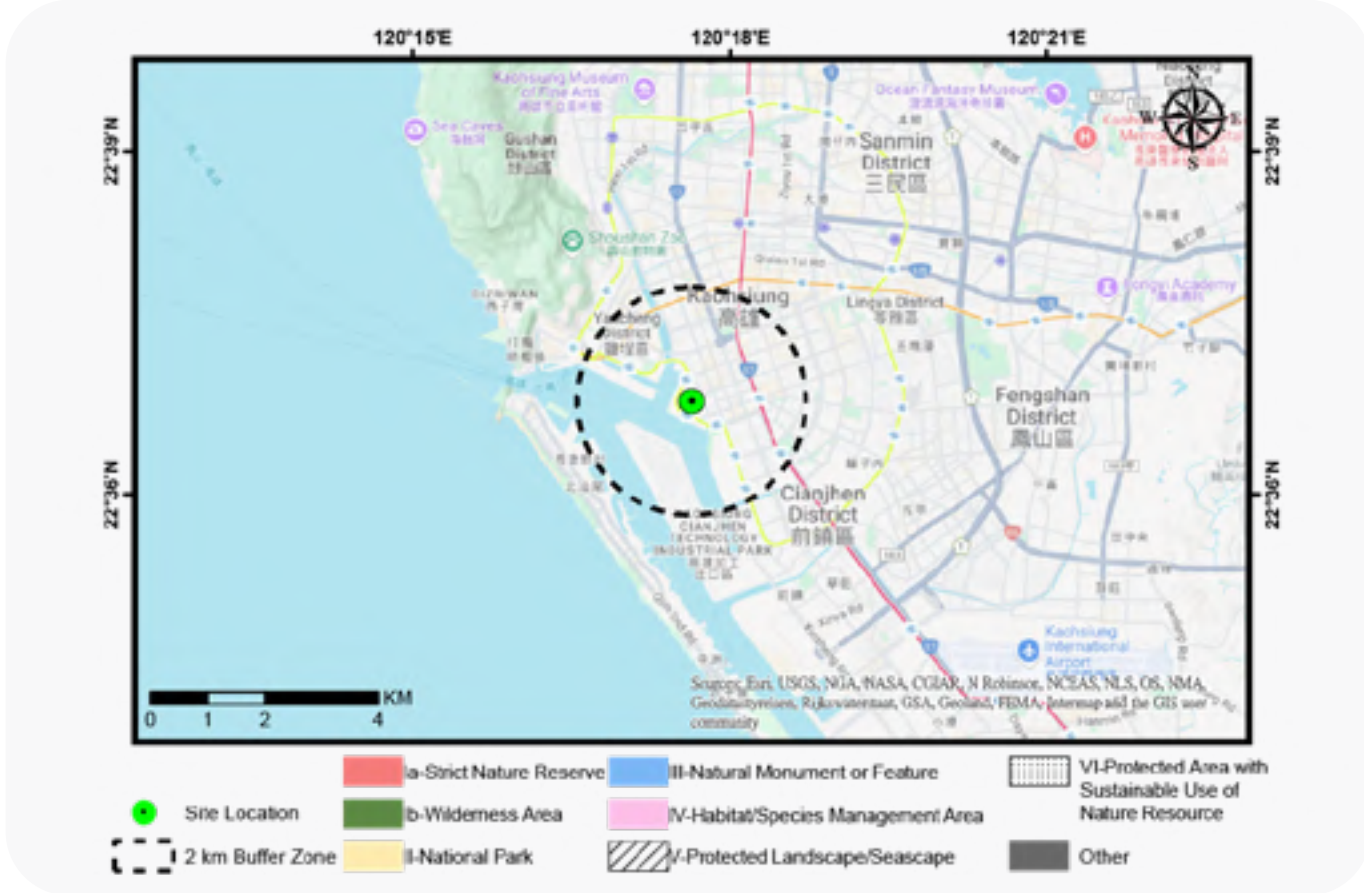
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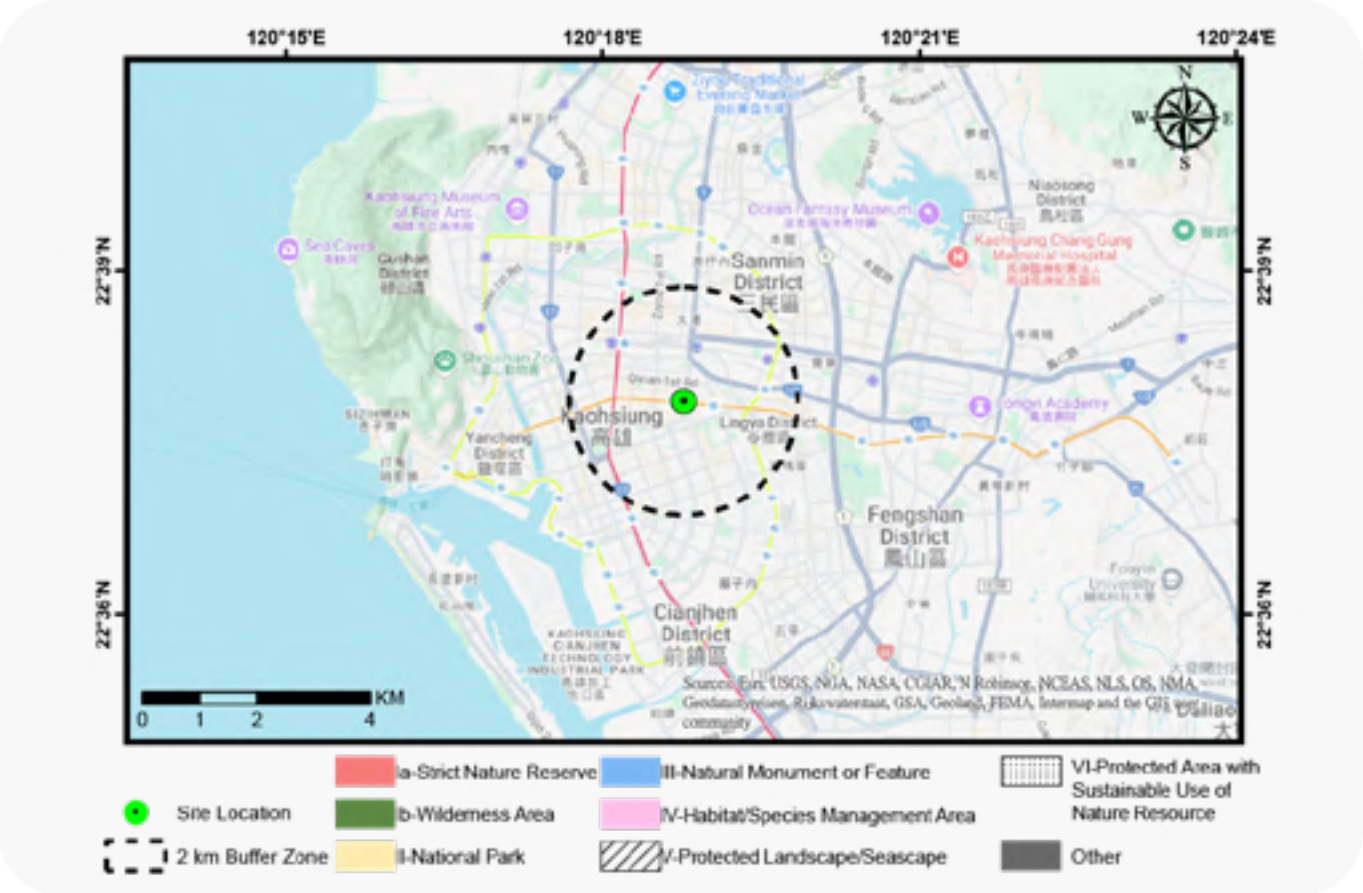
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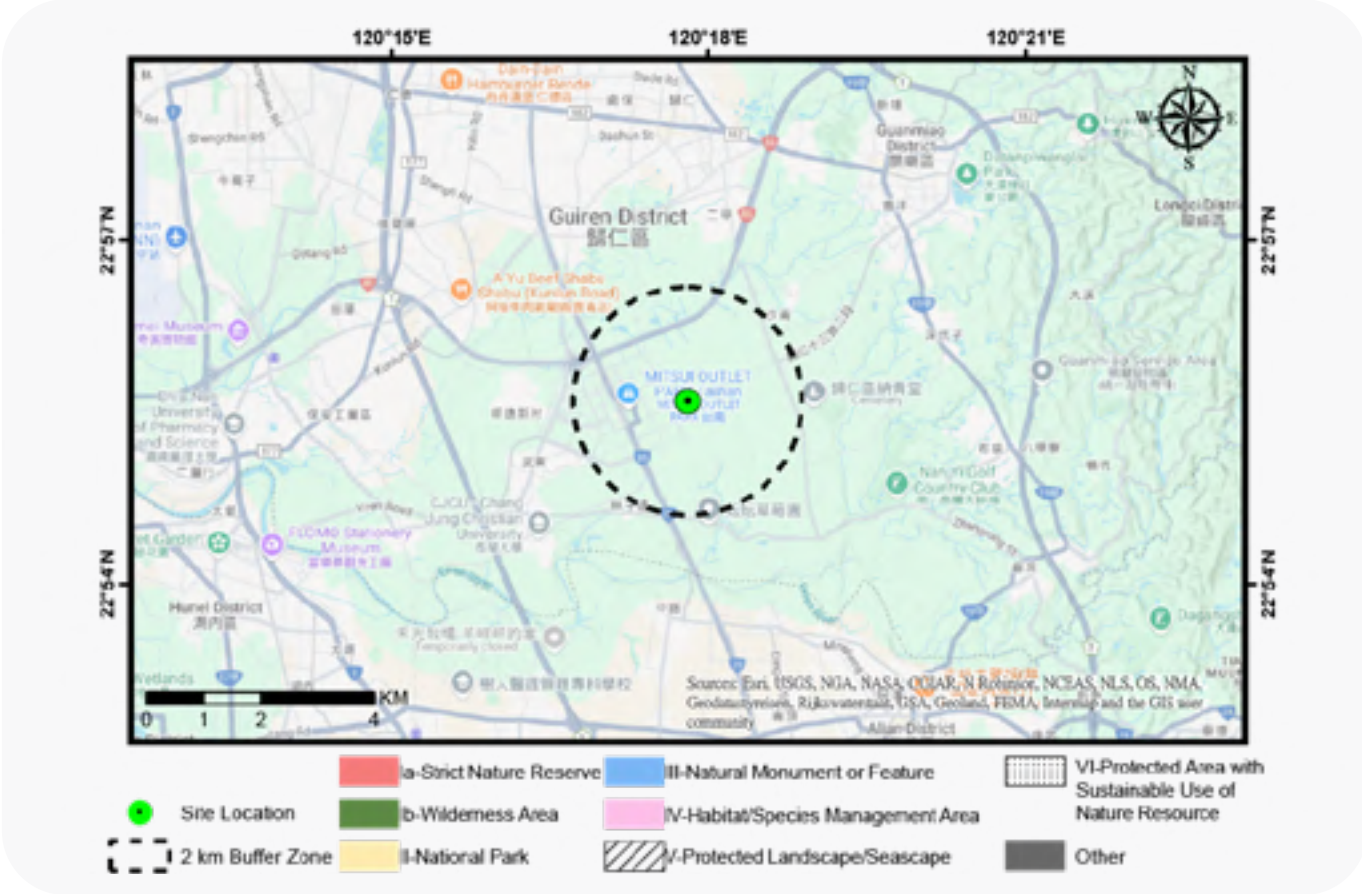
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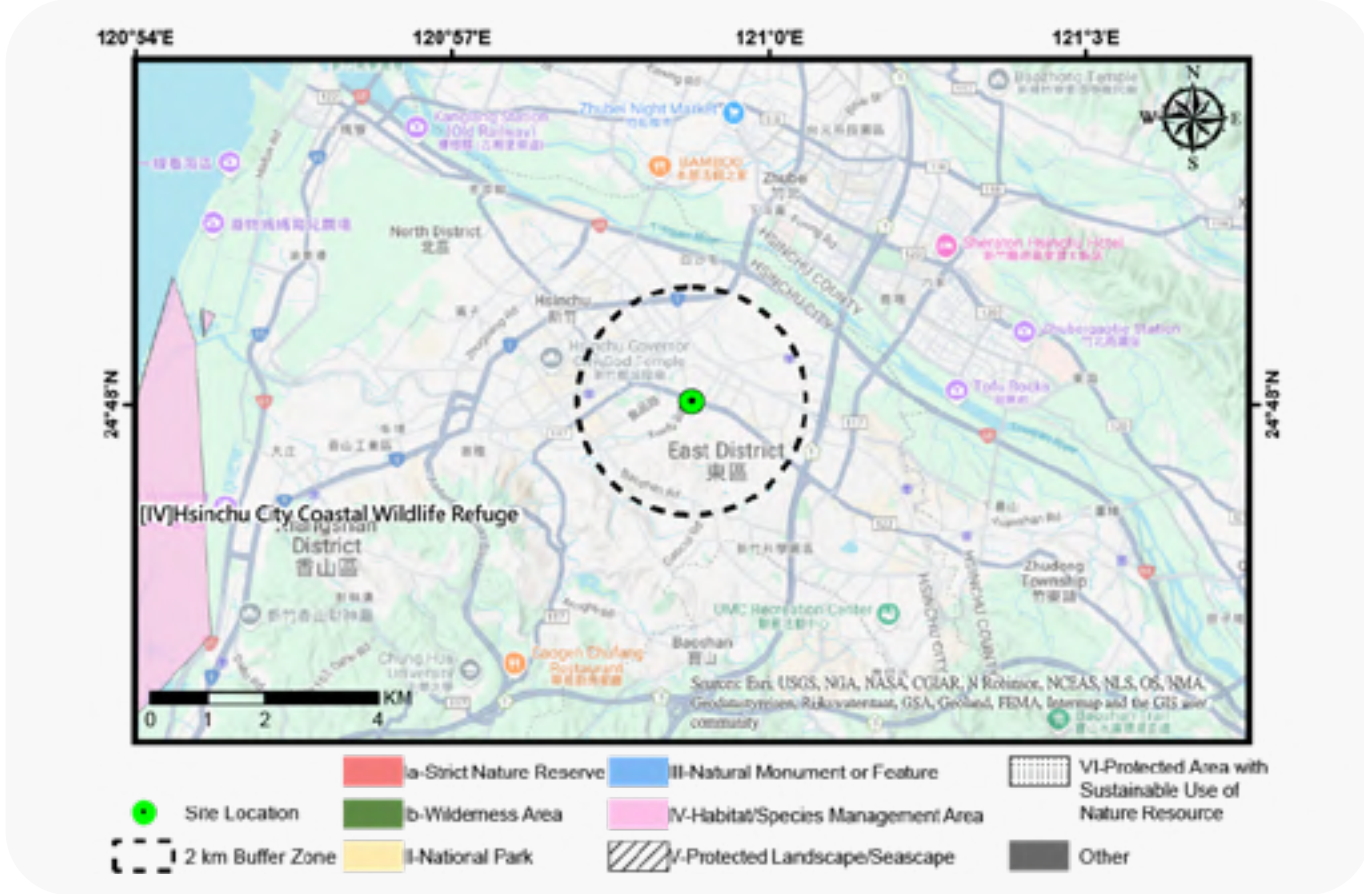
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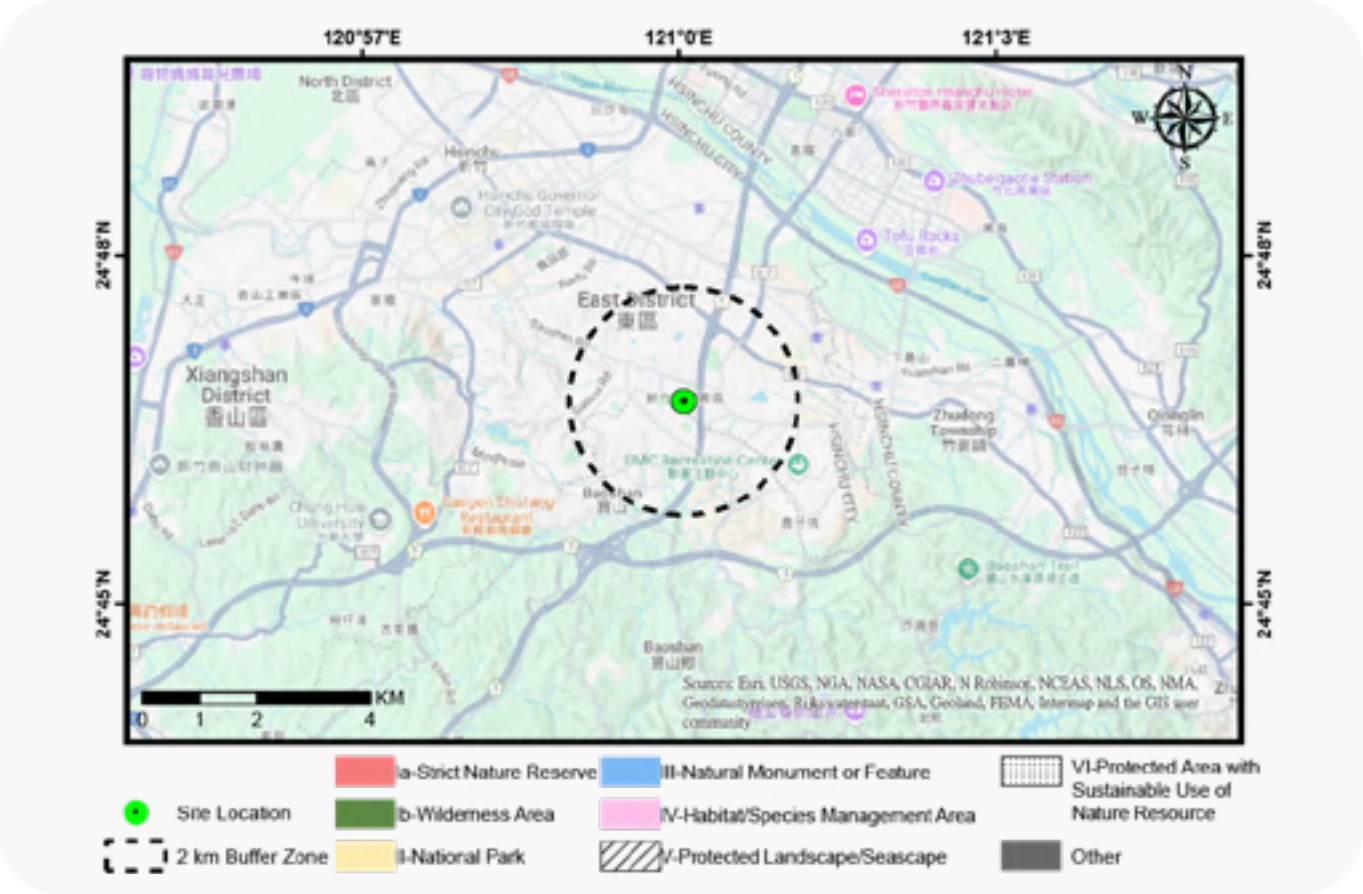
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Hsinchu Guangfu Office



Hsinchu Chuangxin Office



3.3 Dependence on Nature & Impact Analysis

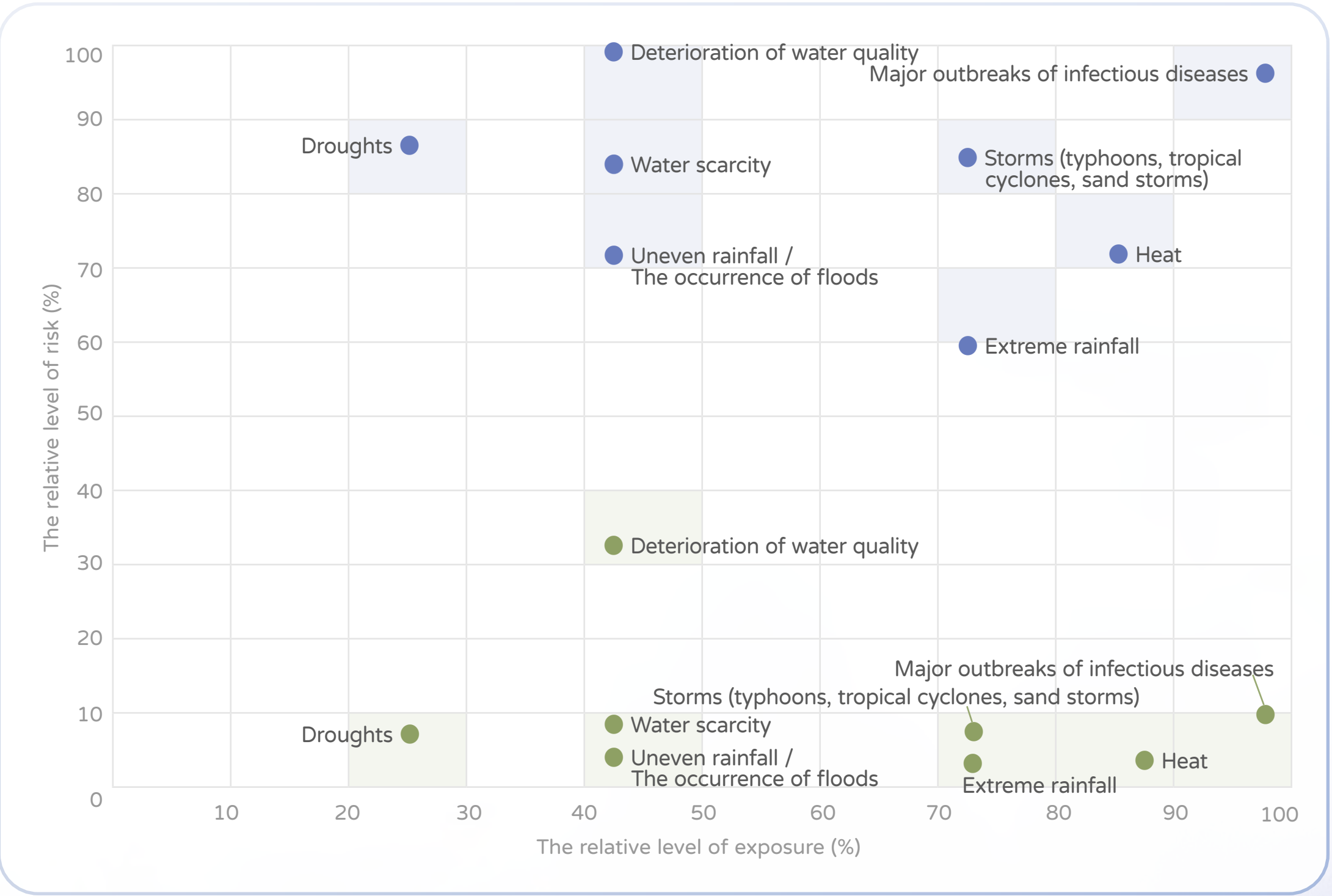
Wistron issued related surveys to ten Wistron factories and achieved a 100% response rate. Nine of the factories expressed full understanding of the risks associated with surrounding species and their natural environment, while the remaining one expressed partial understanding.

3.3.1 Dependence on Nature

To better assess and manage our impact on natural resources, Wistron conducted an analysis of our materiality matrix before and after adaptation measures. The matrix analysis allows us to gain a clear understanding of our business activities dependence on water resources, land use, air quality, etc., and then compares the difference between impacts before and after adaptation measures. This not only helps Wistron identify high-risk operations, but also serves as scientific basis for mitigation and adaptation strategies. We will continue to adopt a data-drive approach to strengthen our organizational resilience and ensure both business development and ecological protection.

Natural Dependence (Disaster) Materiality Matrix

● Before adaptation ● After adaptation



3.3.2 Post-Adaptation Management of Nature Dependence, Metrics & Objectives

In line with the TNFD framework, Wistron has conducted a systematic inventory of risks and exposures caused by nature dependence. By identifying key ecosystem services (e.g., freshwater supply, climate regulation, biological control services, etc.) and their impacts from natural disasters or changes (e.g., droughts, floods, climate change, etc.), we then take practical circumstances into account, disclose existingspecific metrics of measurable units (e.g., water status, temperature warnings, disease information, etc.) to quantify our dependence and potential risks. Furthermore, adaptation and response measures are implemented through internal early warning mechanisms (e.g., alert systems, high-temperature warning systems) and the setting of risk management targets (e.g., annual water use reduction rates, heavy rainfall prevention measures). Efforts will be made to develop internal plans for items without established indicators or targets, in order to enhance operational resilience and strengthen our capacity for sustainable development.

Services	Sub-categories	Mechanisms of Change in State	Indicators	Unit	Early Warning System	Objectives
Regulating & Supporting Services	Rainfall pattern regulation services (at sub-continental scale)	Droughts / Changes in rainfall seasons	Meteorological data: Rainfall forecast WRA: Water reserve levels	Reservoir levels (%) 24-hour rainfall accumulation (mm/day)	• Drought Conditions During dry season, Wistron regularly monitors local water reserve levels and adopts response measures when given early warnings from water companies or governments. Response measures include: 1. Yellow Alert (Reduce water supply during off-peak time): (1) Reduce unnecessary cleaning periods (2) Identify surrounding water stations (water supply stations and drinking water supply stations) and assess whether we need to contact bottled water suppliers for backup 2. Orange Alert (Reduce water supply): (1) Water conservation signs in bathrooms or scheduled flushing period (2) Strengthen internal mechanisms for reporting changes in water levels and response measures and raise employee awareness of water conservation 3. Red Alert (Rotate water supply): (1) Tap into water reserves (2) Adjust shifts to reduce number of workers and, therefore, water use • Extreme Rainfall Events 1. Respond to government-issued heavy rain alerts/warnings (e.g., Mainland China: four-tier, color-coded weather warning system; Taiwan: torrential rain alerts; Malaysia: continuous rain/thunderstorm warnings) by activating internal early warning mechanisms and relevant emergency response procedures 2. Assign dedicated personnel to check official meteorological forecasts at set times daily, specifically focusing on monitoring and flagging heavy rain alerts 3. Encourage employees to report early signs of heavy rainfall or ponding to administrative departments as soon as possible	1. Comply with early warning from governments to adopt response measures and ensure business continuity throughout various drought alerts 2. Continue to conduct business continuity planning (BCP) drills to ensure business continuity

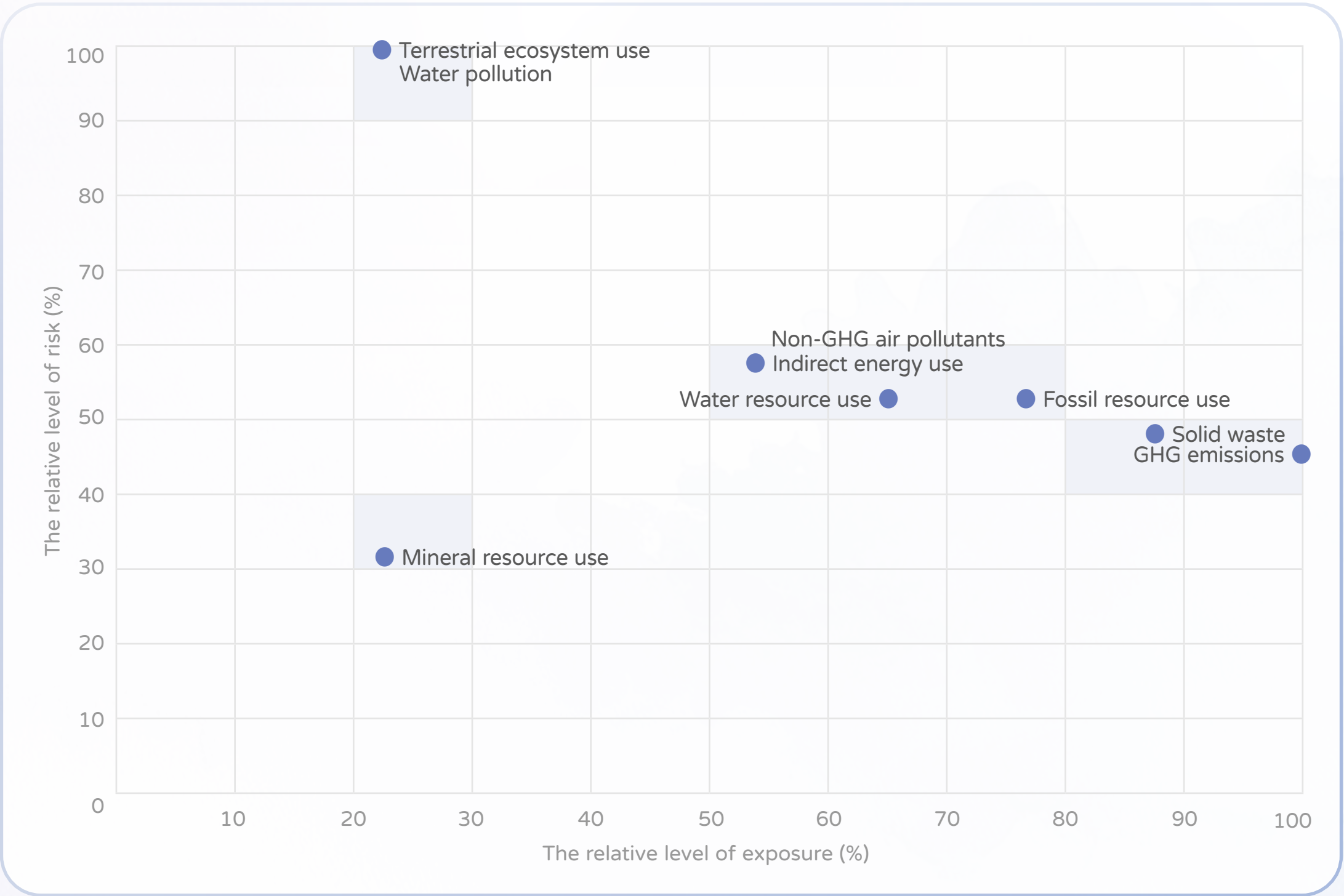
Services	Sub-categories	Mechanisms of Change in State	Indicators	Unit	Early Warning System	Objectives
Regulating & Supporting Services	Local climate regulation services	Heat	Meteorological data: Climate forecast	Temperature (°C)	- Government-issued heatwave alerts (criteria: 1. >40° C or 2. lasting 2+ weeks) - Assign a weather personnel to monitor official weather bureau websites or major weather applications, specifically for any extreme heatwave alerts - Build communication channels with local communities to develop multiple information sources - Activate emergency response measures (adjust shifts, work from home, backup generators, etc.) - Advise employees to avoid outdoor work in extreme heat	- Limit downtime caused by >40 ° C heat to under 12 hours - Leverage emergency measures to ensure critical business operations remain uninterrupted in extreme heat conditions
	Storm mitigation services	Storms (typhoons, tropical cyclones, sand storms)	Typhoon warnings and wind speed forecasts	Tropical cyclone intensity scales	- Wistron regularly monitors weather changes and will identify corresponding measures and emergency response measures according to storm intensity - Comply with Wistron's internal control document on Storm & Flood Response SOP	- Limit downtime caused by typhoons to under 12 hours - Leverage emergency measures to ensure critical business operations remain uninterrupted during typhoons
	Biological control services - Disease control services	Major outbreaks of infectious diseases	CDC information on infectious diseases and outbreaks	Number of infections	- Establish a monitoring system and assign a dedicated personnel to track major outbreaks via authoritative sources - Trigger internal alerts, develop internal tracking measures, require employees to report health conditions daily, and assign dedicated personnel to track and monitor - Tier-based response system, initiating different control measures according to different risk levels - Develop internal control documents: - Emergency Response SOP: Issue SOPs for addressing infectious diseases - Epidemic prevention and control procedures	- Contain outbreaks to outside of Wistron locations - Prevent employees from getting infected or spreading the pandemic - Control materials entering Wistron locations to prevent infections

3.3.3 Nature Impacts

To strengthen the identification and management of nature-related risks, Wistron has conducted a comprehensive assessment of the potential environmental impacts arising from its operations and established a Nature Impact Materiality Matrix. By evaluating the relative exposure and risk levels across various impact categories, we are able to identify high-priority issues — such as those affecting ecosystems, water bodies, the atmosphere, and resource use — for focused management. The matrix highlights that certain aspects, such as land ecosystem use and wastewater discharge, carry a high level of risk, while issues like climate change and waste management demonstrate high levels of exposure. These findings indicate a strong correlation between potential environmental impacts and corporate responsibility.

Looking ahead, Wistron will continue to enhance scientific monitoring and cross-departmental integration, proactively implementing actions to minimize environmental impacts while strengthening the organization’s overall capacity to manage natural capital.

The significance of natural impact categories



3.3.4 Post-Adaptation Management of Nature Impacts, Metrics & Objectives

Wistron has identified the actual or potential negative impacts of our operations on natural capital in accordance with the TNFD-defined major categories of impact, as well as assessed residual risks and exposure levels after existing management and mitigation actions. Through the establishment of specific indicators and measurement units (e.g., water usage, GHG emissions, biodiversity impact), we also evaluated the natural impacts of our activities in terms of land use change, resource extraction, and pollution emissions. Our management include surveying our resource use and emissions, identifying risk hotspots, adopting decarbonization technologies, and other strategies. These are complemented with mid-to-long term mitigation targets (short-term target of containment in 2024 and long-term target of nature positive n 2030) that are tracked and monitored at each step. By assessing post-adaptation risks and exposures while considering practical circumstances, Wistron is able to identify its most significant nature-related impact areas and disclose existing specific indicators and measurement units. For items without established indicators or targets, internal planning will be conducted to enhance the controllability of operational impacts on natural systems and to strengthen the company’s resilience in its sustainability transformation.

Impact Drivers	Sub-categories	Description	Indicators	Unit	Management (Mitigation) Approach	2024 Targets	2030 Targets
Resource use	Indirect energy use	Indirect energies (electricity, heat, steam, etc.) are important production inputs	Electricity use	MJ or MWh	1. Use high-efficiency equipment such as LED lighting and upgrade production facilities 2. Increase use of renewable energies like solar and wind energy 3. Regularly monitor electricity use at each plant and check for anomalies 4. Provide energy-saving projects to plants and production lines to optimize facilities and processes, thereby achieving energy conservation benefits on a daily basis	1. 72.5% renewable energy use 2. Increase energy efficiency by 2%	1. 100% renewable energy use 2. Increase energy efficiency by 2%
Climate Change	GHG emissions	Production processes generate GHG emissions (S1+2), and GHG emissions is now a topic of concern to customers	GHG emissions Specific GHG emissions	tCO ₂ e	1. Improve energy efficiency: Update and maintain equipment to increase energy efficiency in production processes or conserve energy with technical improvements to reduce energy use 2. Increase renewable energy use: Prioritize the installation of on-site solar PV systems and complement with PPAs and RECs	Reduce absolute GHG emissions by 22.5% from 2022	Carbon neutrality (S1+2)

Impact Drivers	Sub-categories	Description	Indicators	Unit	Management (Mitigation) Approach	2024 Targets	2030 Targets
Pollution	Non-GHG air pollutants	General air pollutants (NOx, SOx, PM _{2.5} , VOCs, etc.) are byproducts of production processes	Legal Emissions of Air Pollutants	Metric tons	1. Optimize production processes and efficiency 2. Replace activated carbon regularly per environmental requirements 3. Monitor and control exhaust emissions per regulations, including: - 1. Industrial emissions - 2. VOCs from chemicals, cleaning agents, and fluxes	100% compliance with regulatory requirements	
	Water pollution	Production processes generate process wastewater (BOD, COD, etc.)	Statutory pollutant concentrations in wastewater	mg/L COD	Monitor and control wastewater concentrations according to environmental regulations		
	Solid waste	Production processes generate industrial waste that requires reporting	Industrial waste is categorized into the following by treatment: 1. General industrial waste 2. Hazardous industrial waste	Metric tons Waste recycling %	1. Promote waste separation and source reduction 2. Strengthen waste recycling and reuse (incl. packaging materials) per circular economy principles of "3Rs"	Reduce waste intensity by 8% from 2018	Reduce waste intensity by 20% from 2018

3.4 Nature-related Risks & Opportunities

3.4.1 Risks of Dependency on Natural Capital

Sub-categories (SEEA/TNFD)	Mechanisms of Change in State	Illustrative Example	Type of Physical Risk	Potential Financial Impacts	Indicators & Units	Risk Mitigation
Rainfall pattern regulation services (at sub-continental scale)	Droughts / Changes in rainfall season / Uneven rainfall	- Drought: Our Southern Taiwan plant experiences uneven rainfall between winter and summer, and is often subject to limited water supplies during winter - Extreme Rainfall: Manufacturing plants in both Mainland China and Taiwan may face flooding due to extreme rainfall (waterlogging), which may affect deliveries and employee safety at work	Acute	Operating costs & Procurement costs	Reservoir levels (%) 24-hour rainfall accumulation (mm/day)	- Drought Conditions During dry season, Wistron regularly monitors local water reserve levels andadopts response measures when given early warnings from water companies or governments. Response measures include: - Yellow Alert (Reduce water supply during off-peak time) 1. Reduce unnecessary cleaning periods 2. Identify surrounding water stations (water supply stations and drinking water supply stations) and assess whether we need to contact bottled water suppliers for backup - Orange Alert (Reduce water supply): 1. Water conservation signs in bathrooms or scheduled flushing period 2. Strengthen internal mechanisms for reporting changes in water levels and response measures and raise employee awareness of water conservation - Red Alert (Rotate water supply): 1. Tap into water reserves (prepare water tankers & emergency water tanks; contact local authorities, water utility companies, and plants for emergency water sources; etc.) 2. Adjust shifts to reduce number of workers and, therefore, water use - Extreme Rainfall Events 1. Respond to government-issued heavy rain alerts/warnings (e.g., Mainland China: four-tier, color-coded weather warning system; Taiwan: torrential rain alerts; Malaysia: continuous rain/thunderstorm warnings) by activating internal early warning mechanisms and relevant emergency response procedures 2. Assign dedicated personnel to check official meteorological forecasts at set times daily, specifically focusing on monitoring and flagging heavy rain alerts 3. Encourage employees to report early signs of heavy rainfall or ponding to administrative departments as soon as possible

Sub-categories (SEEA/TNFD)	Mechanisms of Change in State	Illustrative Example	Type of Physical Risk	Potential Financial Impacts	Indicators & Units	Risk Mitigation
Local climate regulation services	Heat	Due to their geographical locations, plants in western China and Vietnam are subject to continuous extreme heat during the summer, which leads to governments issuing power cuts	Acute	Operating costs	Temperature (°C)	1. Government-issued heatwave alerts (criteria: 1. >40° C or 2. lasting 2+ weeks) 2. Assign a weather personnel to monitor official weather bureau websites or major weather applications, specifically for any extreme heatwave alerts 3. Build communication channels with local communities to develop multiple information sources 4. Activate emergency response measures (adjust shifts, work from home, backup generators, etc.) 5. Advise employees to avoid outdoor work in extreme heat
Storm mitigation services	Storms (typhoons, tropical cyclones, sand storms)	Taiwan and Southern China is often subject to typhoons, which leads to typhoon days, halted production, and financial losses	Acute	Operating costs Capital expenditures	Tropical cyclone intensity scales	1. Wistron regularly monitors weather changes and will identify corresponding measures and emergency response measures according to storm intensity 2. Comply with Wistron's internal control document on Storm & Flood Response SOP
Biological control services Disease control services	Major outbreaks of infectious diseases	Manufacturing sites are vulnerable to fast-spreading, highly infectious diseases, which poses risks to business continuity, including workforce shortages and production delays, which indirectly impact revenue	Acute	Operating revenue Operating costs	Number of infections	1. Establish a monitoring system and assign a dedicated personnel to track major outbreaks via authoritative sources 2. Trigger internal alerts, develop internal tracking measures, require employees to report health conditions daily, and assign dedicated personnel to track and monitor 3. Tier-based response system, initiating different control measures according to different risk levels 4. Develop internal control documents: - Emergency Response SOP: Issue SOPs for addressing infectious diseases - Epidemic prevention and control procedures

3.4.2 Opportunities of Dependency on Natural Capital

Sub-categories (SEEA/TNFD)	Mechanisms of Change in State	Illustrative Example	Type of Opportunity	Potential Financial Impacts	Strategies
Rainfall pattern regulation services (at sub-continental scale)	Droughts / Changes in rainfall season / Uneven rainfall	Increase ability to respond to droughts or extreme rainfall and sustain operations	Increase in goodwill Business performance: Products & services	Decreased financial losses Decreased operating costs	1. Regularly evaluate water-saving performance in daily operations, recycled water use, and water control; include water consumption per revenue unit as part of short-, medium-, and long-term sustainability goals to continually improve water efficiency 2. Implement BCP response procedures and stay updated with government and site-specific information for timely response and instructions 3. Conduct emergency drills and respond with climate physical risk adaptation plans, such as: (1) Flood detention facilities, rainwater retention ponds, floodgates/barriers, etc. (2) Pumping strategies to tackle extended heavy rainfall
Local climate regulation services	Heat	Review and adjust allocation of electricity across air conditioning, compressed air, lighting, management, and production systems to improve operational resilience during extreme heat	Increase in goodwill Business performance: Resource efficiency and Products & services	Decreased financial losses Decreased operating costs	1. Follow climate physical risk adaptation plans, suspend outdoor work if necessary, and comply with occupational safety laws and internal emergency protocols to avoid occupational accidents 2. Continue implementing energy-saving measures to reduce load and improve our energy resilience and flexibility 3. Regularly conduct emergency drills and develop plans for emergency generators
Storm mitigation services	Storm (typhoons, tropical cyclones, sand storms)	Increase our ability to address typhoons and sustain operations	Increase in goodwill Business performance: Products & services	Decreased financial losses Decreased operating costs	1. Pre-typhoon checks and reinforcements 2. Monitor work suspension guidelines, alerts, and news, and provide transportation or other forms of assistance when necessary to secure employee safety 3. Ensure business continuity for critical operations during wind disasters
Biological control services - Disease control services	Major outbreaks of infectious diseases	Improve our ability to contain large-scale epidemic outbreaks to ensure reliable product deliveries	Increase in goodwill Business performance: Products & services	Decreased financial losses Decreased operating costs	1. Establish response measures, including internal alert triggers, tiered responses, working-from-home plans, and rotational shifts (to control in-plant workforce) 2. Regularly inspect epidemic prevention supplies to ensure sufficient resources 3. Educational videos on epidemic prevention

3.4.3 Risks of Impact on Natural Capital

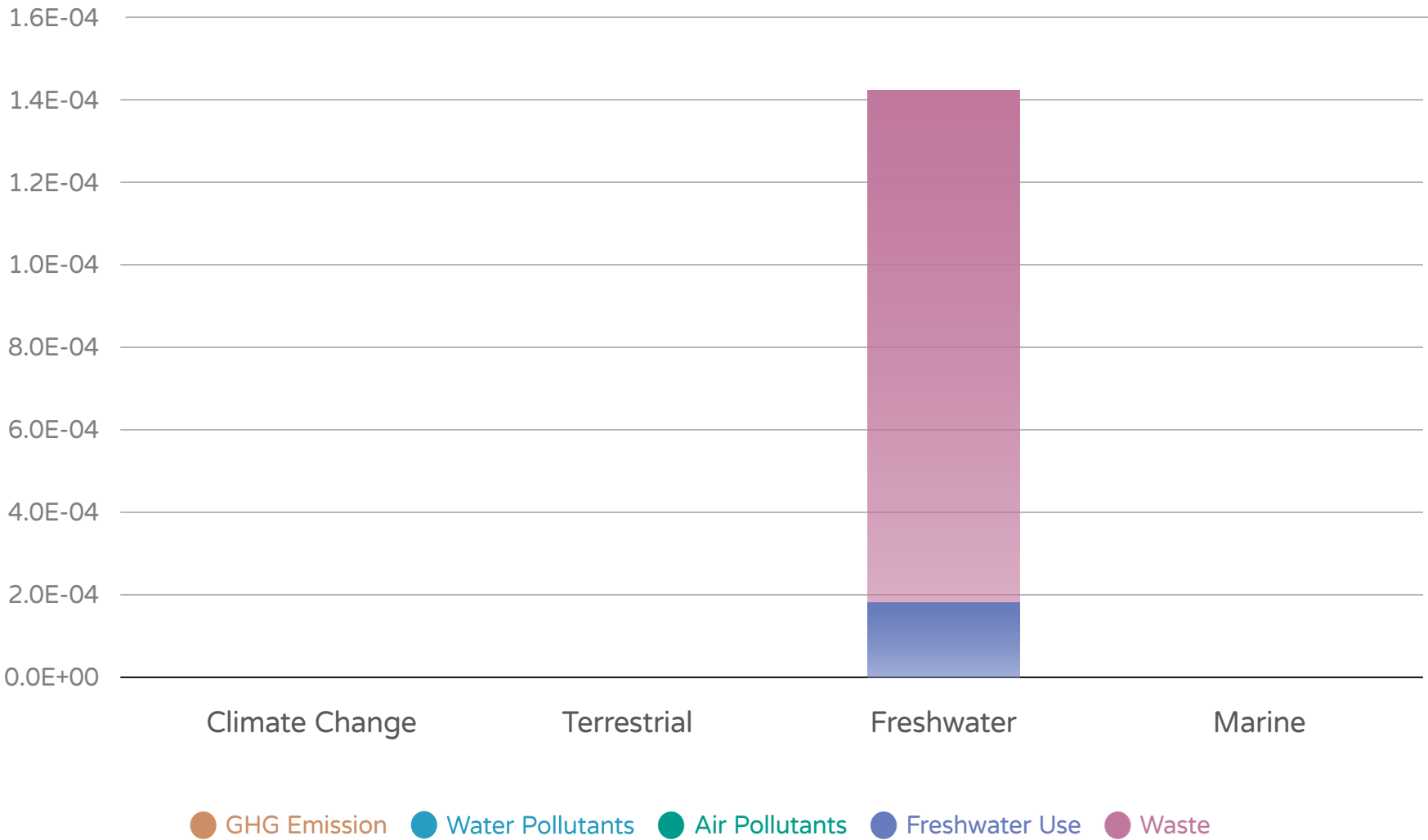
Sub-categories (SEEA/TNFD)	Mechanisms of Change in State	Impact Pathway	Illustrative Example	Type of Physical Risk	Potential Financial Impacts	Indicators & Units	Risk Mitigation
Resource use	Indirect energy use	Under global decarbonization trends, customers and related stakeholders are requiring plants to reduce traditional energy use or adopt renewable energies. Failure to do so may lead to customers transferring their orders elsewhere to paying additional carbon fees.	- Manufacturing plants should comply with energy conservation targets, increasing renewable energy usage each year while maintaining uninterrupted operations. - Energy sources should transition to renewables and gradually increase renewable energy usage.	Regulatory Market Reputational	Operating revenue Operating costs & Procurement costs	MJ or MWh	- Use high-efficiency equipment such as LED lighting and upgrade production facilities. - Increase use of renewable energies like solar and wind energy. - Regularly monitor electricity use at each plant and check for anomalies. - Provide energy-saving projects to plants and production lines to optimize facilities and processes, thereby achieving energy conservation benefits on a daily basis.
Climate Change	GHG emissions	Under global decarbonization trends, global initiatives, stakeholders, and domestic regulations are all requiring businesses to reduce GHG emissions from operational activities. Failure to do so will lead to additional carbon fees, damage to the business's reputation in sustainability, and blacklisting from stakeholders or customers.	- Manufacturing plants should comply with energy conservation targets, reducing carbon emissions per unit of revenue each year while maintaining uninterrupted operations. - Comply with targets set under the SBTi. - Pay carbon fees.	Regulatory Market Reputational	Operating revenue Operating costs & Procurement costs	tCO ₂ e	- Improve energy efficiency: Update and maintain equipment to increase energy efficiency in production processes or conserve energy with technical improvements to reduce energy use. - Increase renewable energy use: Prioritize the installation of on-site solar PV systems and complement with PPAs and RECs.
Pollution	Non-GHG air pollutants	Any air pollutants such as particulate matters or VOCs produced from production processes must comply with regulatory emission standards. Failure to do so will lead to environmental pollution, cause harm to employee health, and incur additional costs.	Regulations, stakeholders, and related certifications demand for reduced or complete elimination of VOCs and particulate matters.	Regulatory Reputational Technological	Operating revenue & Compliance costs	Metric tons	- Optimize production processes and efficiency. - Replace activated carbon regularly per environmental requirements. - Monitor and control exhaust emissions per regulations, including: - 1: Industrial emissions - 2: VOCs from chemicals, cleaning agents, and fluxes
	Water pollution	Process wastewater from specific plants must comply with COD standards, as such, we must install wastewater treatment facilities and comply with regulations.	Regulations, stakeholders, and related certifications demand for reduced or complete elimination of wastewater pollution.	Regulatory Reputational Technological	Operating revenue & Compliance costs	mg/L COD	Monitor and control wastewater concentrations according to environmental regulations.
	Solid waste	Solid waste itself as well as tighter regulations will lead to businesses expending additional costs to separate and treat industrial waste.	- Regulations or stakeholders require a specific percentage of recycled materials. - Recycle resources inside and outside plants to reduce waste generation. - Costs and risks associated with developing technologies to recycle materials.	Regulatory Reputational Technological	Operating revenue & Compliance costs	Metric tons Waste recycling (%)	- Promote waste separation and source reduction. - Strengthen waste recycling and reuse (incl. packaging materials) per circular economy principles of "3Rs".

3.4.4 Opportunities of Impact on Natural Capital

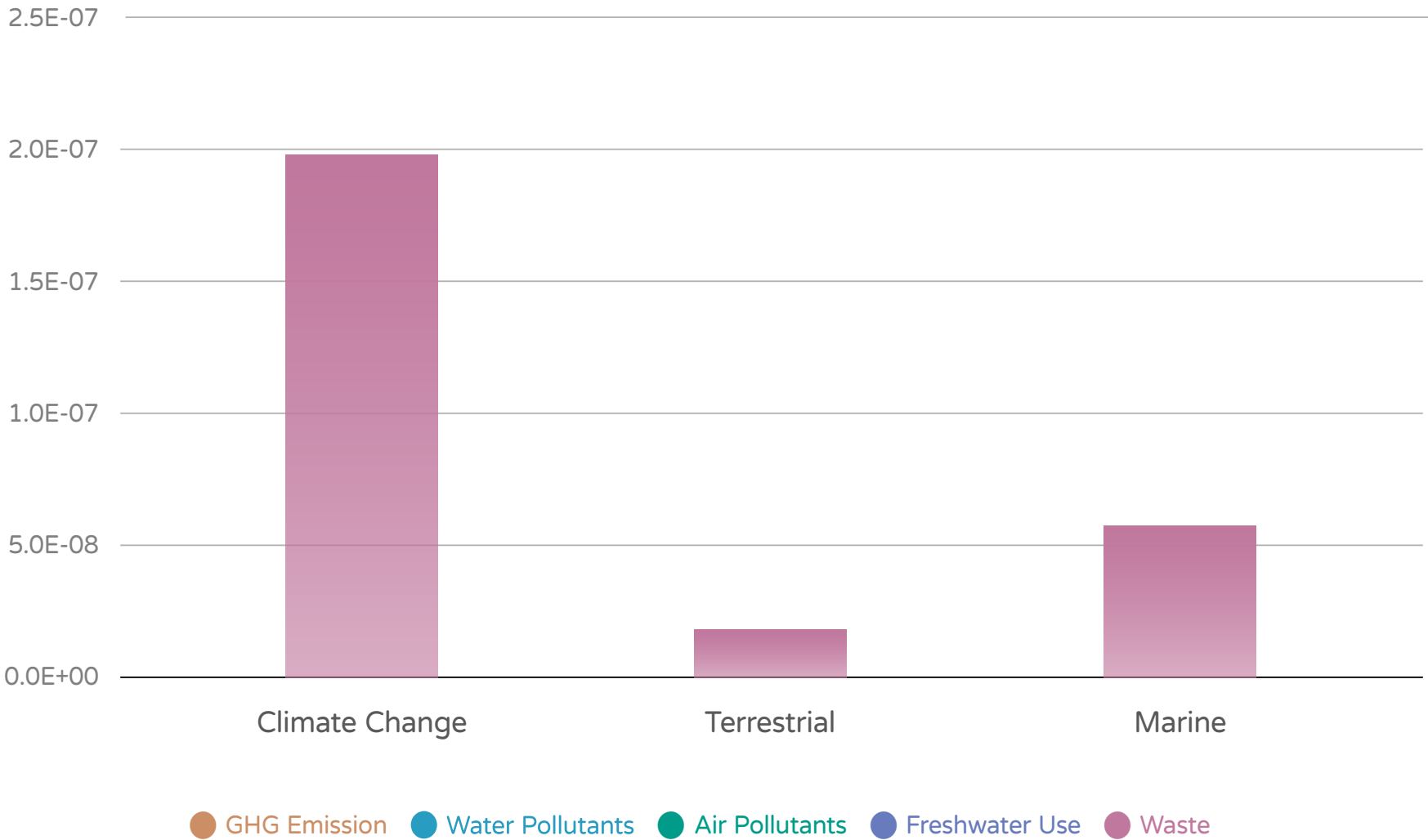
Sub-categories (SEEA/TNFD)	Mechanisms of Change in State	Illustrative Example	Type of Opportunity	Potential Financial Impacts	Strategies
Resource use	Indirect energy use	1. Steadily decreasing energy use per unit of revenue or increasing renewable energy use can increase our market competitiveness and customer willingness to place orders with Wistron 2. Upgrading to energy-efficient facilities can reduce energy use	Increase in goodwill Business performance: Resource efficiency, Market, and Products & services Externalities: Sustainable resource recycling and Promoting sustainable development	Increased operating revenue Decreased operating costs	1. Continue to roll out technical improvements for energy conservation in plants and, each year, increase energy efficiency by 2% 2. Increase renewable energy use by maximizing on-site solar energy systems for in-house use while also investing in the procurement and installation of renewable energy, aiming to reach 72.5% renewable energy use by 2024
Climate Change	GHG emissions	1.Steadily reducing carbon emissions per unit of revenue or increasing renewable energy usage helps avoid additional carbon tax costs, enhance our reputation in sustainability and market competitiveness, and increase stakeholder willingness to work with Wistron 2. Using low-carbon energy and upgrading to energy-efficient facilities can reduce GHG emissions	Increase in goodwill Business Performance: Resource efficiency, Market, Reinvestments, and Products & services Externalities: Sustainable resource recycling and Promoting sustainable development	Decreased operating costs Decreased production costs Increased operating revenue New businesses	1. The group's decarbonization plan is SBT-approved, and we are implementing annual carbon reduction plans to reduce carbon emissions per unit of revenue by 22.5% by 2024 compared to the base year (2022) as we strive toward decarbonization 2. Develop decarbonization plans and internal carbon pricing mechanisms to address future impacts from carbon fee and encourage units to invest in decarbonization technologies and facilities
Pollution	Non-GHG air pollutants	Reliable control of VOCs and particulate matter emissions can increase stakeholder trust in our business operations and reduce air pollution	Increase in goodwill Externalities: Ecological conservation & Environmental protection	Reduced damages	1. Develop internal control systems and regularly review regulatory compliance and production processes to optimize production efficiency 2. Install air pollution prevention facilities in compliance with government regulations on environmental protection
	Water pollution	Developing a robust wastewater treatment facility and recycling unit can avoid pollution and penalties from improper wastewater discharge and enhance our goodwill	Increase in goodwill Business performance: Products & services Externalities: Ecological conservation & Environmental protection	Reduced damages	1. Evaluate water use patterns at each plant to identify opportunities for wastewater recycling and reuse. Continuously monitor and improve to meet regulatory standards 2. Actively collaborate with clients to establish water management systems and explore the development of wastewater recycling technologies to reduce environmental impact
	Solid waste	Researching new renewable energies can not only reduce waste generation but also lower costs for procuring new materials	Business performance: Resource efficiency Externalities: Sustainable resource recycling	Lowered procurement costs New businesses	1. Work with third-party research institutes to develop green products from recycled materials, increasing resource efficiency 2. Research and develop new technologies to increase recycling rate for packaging materials and gradually reduce waste generation 3. Acquire Zero Waste to Landfill certifications

3.4.5 Biodiversity Loss Rate

Biodiversity Loss Rate is an important metric for measuring the impact of human activities on biodiversity. The impact of various environmental pressures on ecosystems is quantified with the Potentially Disappeared Fraction of species. This metric comprehensive assesses a business's impact on climate change, land, freshwater, and seas. Using its characterization factor (Global PDF·y/kg), the impact can be converted into a unit that expresses biodiversity loss on a global scale.



Biodiversity Impacts
(Based on Environmental Domain Classification)



Biodiversity Impacts
(Based on Environmental Domain Classification, Excluding Freshwater)

4. Wistron & Value Chain

4.1 Climate Risks in the Supply Chain

4.1.1 Domestic Suppliers

4.1.2 Global Suppliers

4.2 Site Analysis for Value Chain

4.2.1 Domestic Suppliers

4.2.2 Global Suppliers

4.2.3 Downstream Activities

4.3 Supply Chain Dependence on Nature & Impact Analysis

4.3.1 Supply Chain Dependency

4.3.2 Supply Chain Impact



Eastern Grass Owl

The eastern grass owl has a heart-shaped face, resembling a halved apple. From a distance, its face looks like a monkey's, which is why it is often called the "Monkey-faced Owl." Taiwan is home to a subspecies of the eastern grass owl, which is the only owl species in Taiwan that resides in plains and grasslands rather than forests. It is commonly found in agricultural areas and low hills. Wistron enhances public awareness and support for ecological protection through long-term conservation efforts.



4. Wistron & Value Chain

As extreme weather events become increasingly frequent and environmental regulations become increasingly stringent, climate risk management in the supply chain has become a key element in companies' sustainable development and competitiveness. A company's supply chain often consist of several countries and regions, covering raw material procurement, production, shipping, and final sales. All of these stages are inevitably impacted by climate change. As such, climate risk management across the supply chain is not only about our responsibility to the environment, but critical to a business's long-term competitiveness and sustainable operations. With forward-looking strategies and technologies, businesses are able to mitigate the risks brought on by climate change to ensure an uninterrupted supply chain, propelling themselves into a leading position as the world shifts to a low-carbon economy.

4.1 Climate Risks in the Supply Chain

4.1.1 Domestic Suppliers

To analyze quantified physical risk levels of various locations under climate change, Wistron sets extreme rainfall from climate change as the hazard, flooding, landslides, and mudslides from extreme rainfall as the vulnerability, and Wistron locations as the exposure. Hazard assessment complies with the Sixth Assessment Report (AR6) released by the IPCC in 2021, which incorporates findings from various international climate research institutions. It adopts various pathways, including the Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs) to form four scenario matrices - SSP1-RCP2.6, SSP2-RCP4.5, SSP3-RCP7.0, and SSP5-RCP8.5 - to project hazards from extreme rainfall across different time horizons (short term (2021-2040), midterm (2041-2060), mid-to-long term (2061-2080), and long term (2081-2100)). Vulnerability is based on disaster maps and information publicly released by relevant government agencies in Taiwan, which provide data on potential areas of disaster and severity level. Exposure is set as the locations of the 139 Wistron suppliers in Taiwan. Finally, the risk score of each location's vulnerability is then classified according to a risk matrix into four levels: No Risk, Low Risk, Medium Risk, and High Risk. The overall risk level is represented by the highest risk level among all vulnerabilities.

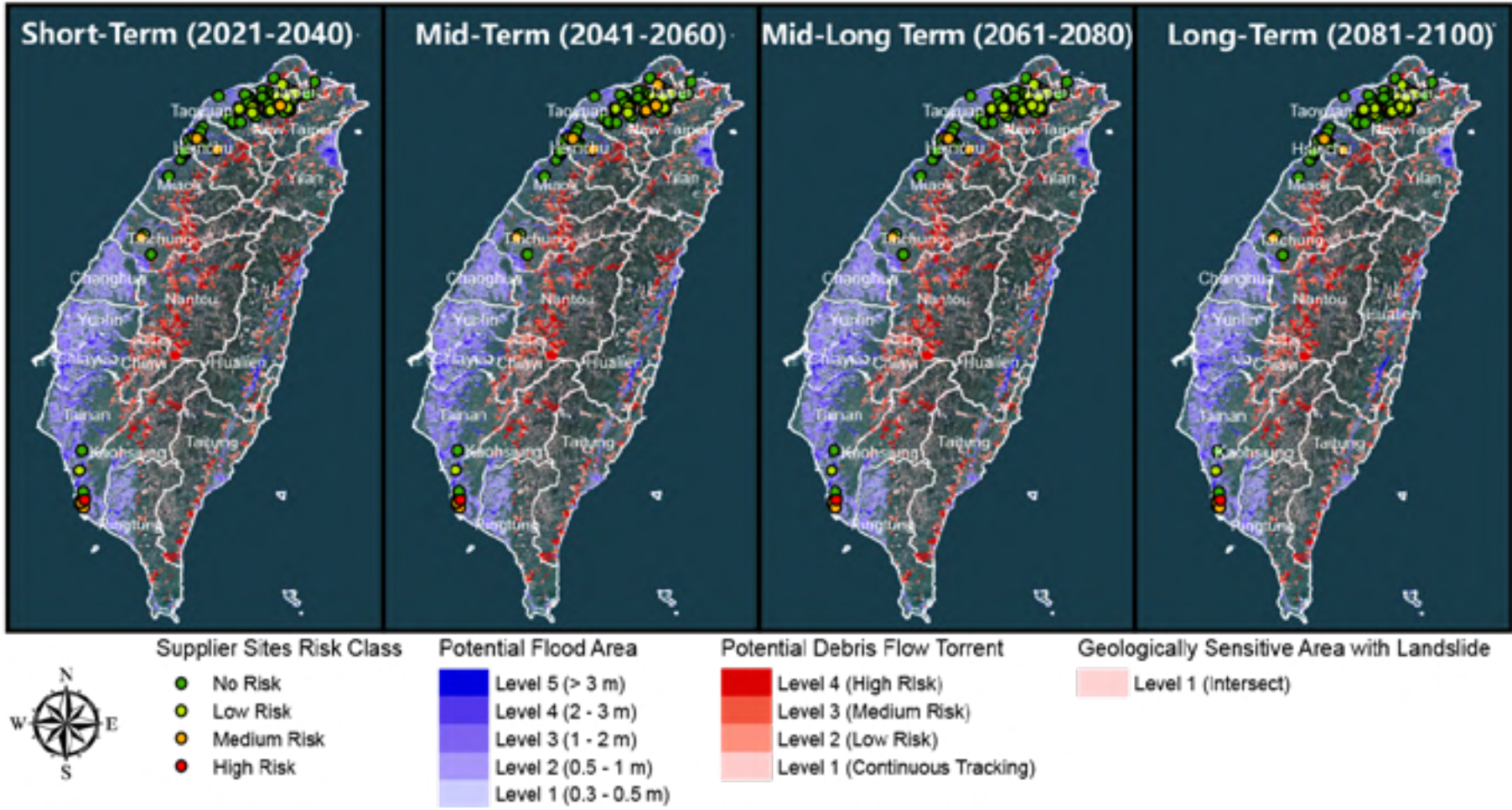
Risk levels under various climate change scenarios and time horizons indicate that 107 (77.0%) of Wistron 139 suppliers in Taiwan are not susceptible to floods, landslides, or mudslides, and are therefore classified under No Risk. The other 32 (23%) locations are susceptible to floods and are classified as either Low Risk or Medium Risk. The numbers of Low Risk and Medium Risk supplier locations are fixed at between 16-27 and 4-15, respectively, across various climate change scenarios and time horizons. Notably, in the medium-long term and long term under SSP1-RCP2.6, as well as the long term under SSP2-RCP4.5, some Medium Risk locations were downgraded to Low Risk, resulting in an increase in the number of Low Risk locations and a decrease in Medium Risk locations. The number of High Risk locations ranged from 0 to 3. A relatively higher number of Medium Risk locations was observed in the medium-long term under SSP2-RCP4.5 and in the long term under SSP3-RCP7.0 and SSP5-RCP8.5.

Risks Levels of Wistron Suppliers in Taiwan across Climate Change Scenarios & Time Horizons

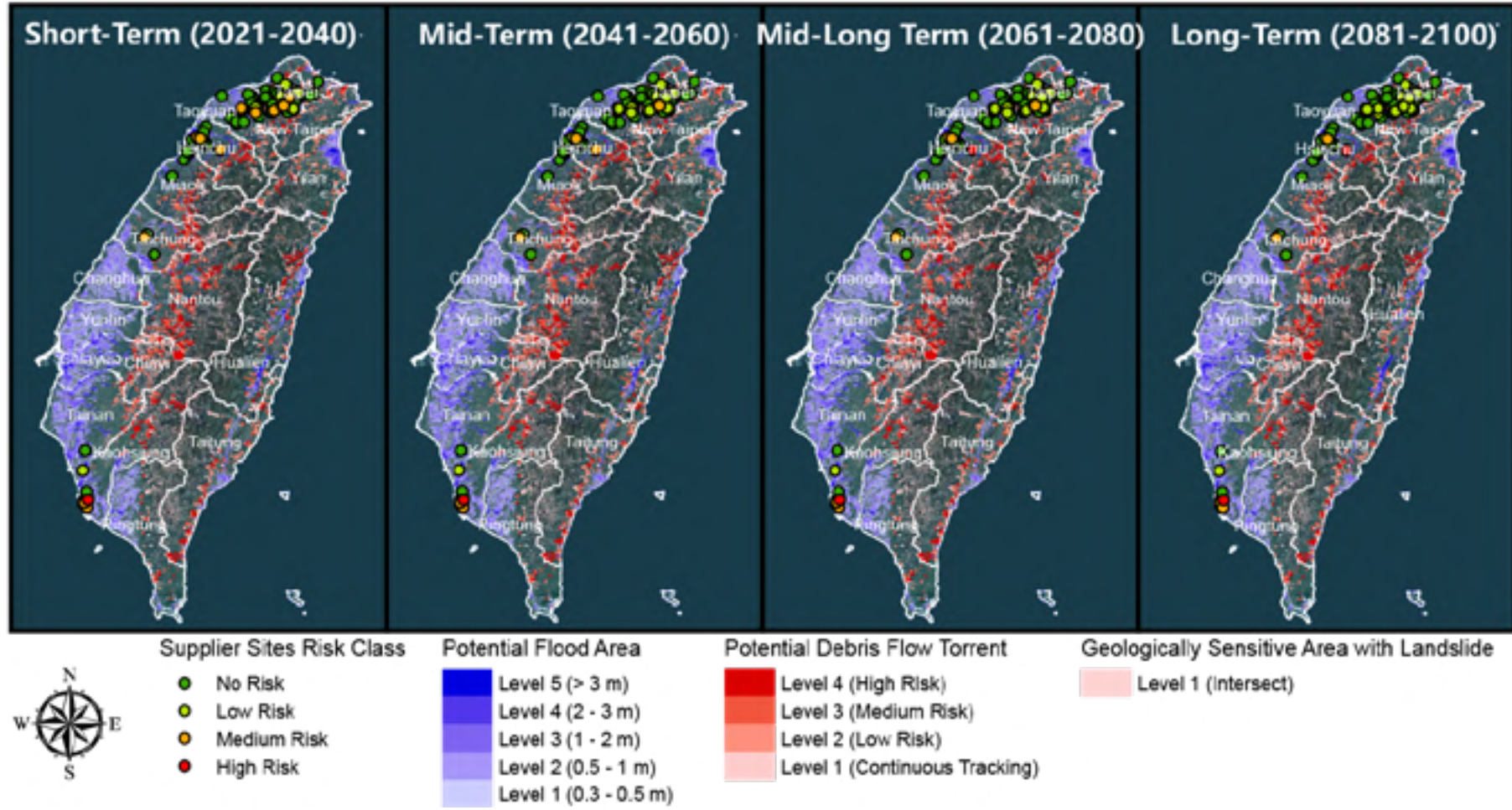
Risk Levels	SSP1-RCP2.6				SSP2-RCP4.5				SSP3-RCP7.0				SSP5-RCP8.5			
	Short term	Midterm	Mid-to-long term	Long term	Short term	Midterm	Mid-to-long term	Long term	Short term	Midterm	Mid-to-long term	Long term	Short term	Midterm	Mid-to-long term	Long term
● No Risk	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107
● Low Risk	21	19	27	27	16	21	20	27	18	18	18	16	20	19	20	18
● Medium Risk	10	12	5	4	15	10	10	4	13	13	13	13	11	12	10	12
● High Risk	1	1	0	1	1	1	2	1	1	1	1	3	1	1	2	2
Total	139				139				139				139			



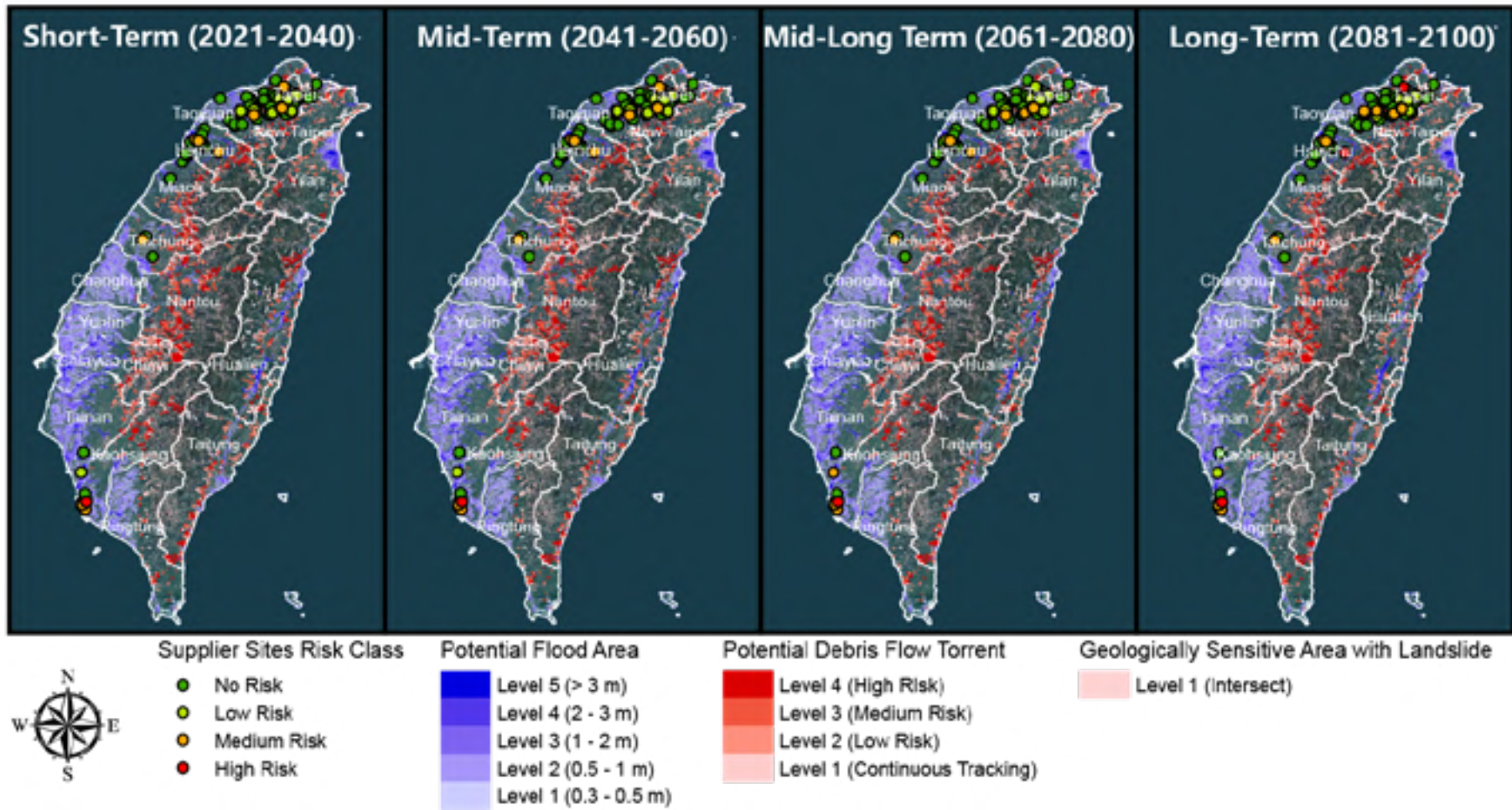
Risk Levels & Distribution of Domestic Suppliers (SSP1-RCP2.6)



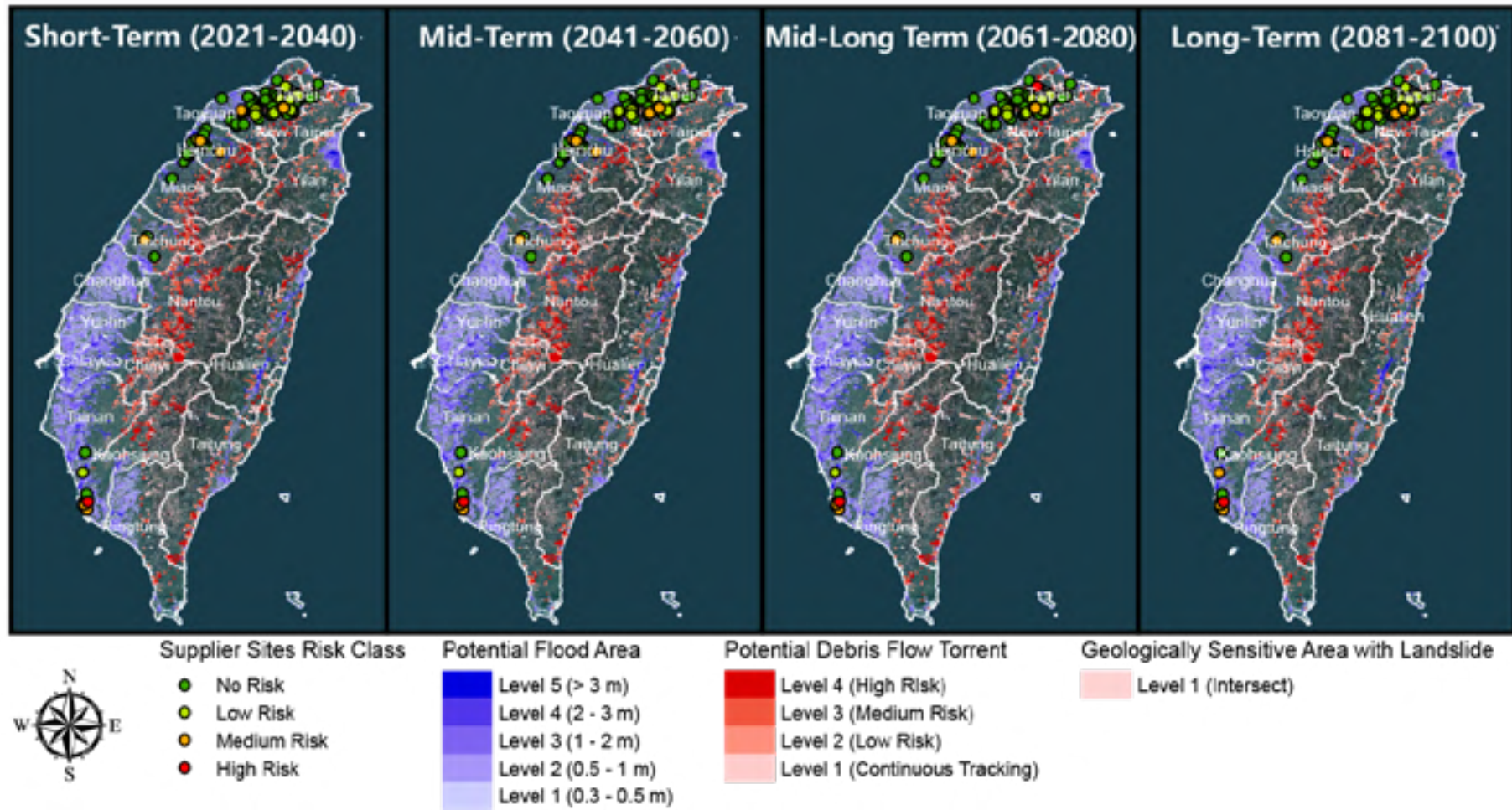
Risk Levels & Distribution of Domestic Suppliers (SSP2-RCP4.5)



Risk Levels & Distribution of Domestic Suppliers (SSP3-RCP7.0)



Risk Levels & Distribution of Domestic Suppliers (SSP5-RCP8.5)



Physical Risk Adaptation Plan for Domestic Suppliers:

Wistron has developed short-, medium-, and long-term physical risk adaptation strategies for supplier locations. In the short term (1–3 years), the focus is on risk assessment, preventive measures, and capacity building. In the medium term (5–10 years), diversified strategies and sustainable development plans are implemented to mitigate various supply chain risks associated with climate change. The long-term plan (>10 years) focuses on localizing suppliers, implementing sustainable procurement policies, and committing to long-term carbon reduction. The following outlines Wistron’s key short-, medium-, and long-term supplier strategies:

• Short-term (1-3 years)

1. **Supplier Risk Assessment:** Wistron issues sustainability risk self-assessments to identify potential risks within the supply chain and further manage and mitigate these risks.
2. **Emergency Preparedness Plans:** Suppliers are required to assess potential emergency scenarios and implement preparedness and response plans to minimize their impacts and ensure the safety of employees and properties.
3. **Strategic Buffer Stock:** A planned action within supply chain management to pre-stock and manage inventories of critical components to address uncertainty risks and fluctuations in demands.
4. **Adaptation Capacity Building:** Provide training in climate risk management and sustainability to strengthen suppliers’ adaptation capabilities.

• Medium-term (5-10 years)

1. **Establish a Diversified Supply Chain:** Expand sources of raw materials to reduce reliance on a single supplier and mitigate associated risks.
2. **Sustainability Development Plans:** Require suppliers to establish sustainability plans to reduce environmental impact through measures such as energy conservation, emissions reduction, and circular resource use to ensure long-term economic and environmental stability.

• Long-term (>10 years)

1. **Localized Suppliers:** Continues to reduce risks from external environmental impacts and costs, and focus on building the local supply chain to develop resilience across our supply chain.
2. **Sustainable Procurement Policy:** Wistron has launched a more sustainable and eco-friendly procurement policy, where we prioritize suppliers who have already implemented climate adaptation measures.
3. **Long-term Decarbonization Commitment:** As part of our efforts to achieve net zero emissions, Wistron encourages suppliers to set science-based emission reduction targets and commit to decarbonization to reduce their contributions to climate change.



4.1.2 Global Suppliers

Wistron also conducted analysis for 357 supplier locations around the world, mainly Asia (Taiwan, China, Hong Kong, Japan, Malaysia, Singapore, South Korea, Thailand & Vietnam), Europe (Belgium & Ireland), and North America (the U.S. & Canada).

4.1.2.1 Baseline Water Risk Analysis for Locations of Wistron's Global Suppliers

Based on the analysis results, regarding the spatial distribution of baseline water stress across Wistron's 357 supplier sites, the statistical data are presented as follows: Among them, 41 supplier sites were evaluated as having "extremely high" baseline water stress, accounting for 11.5% of the total. A total of 11 sites were classified as having "high" baseline water stress, making up approximately 3.1%. The number of sites with "medium-high" baseline water stress reached 17, representing 4.8% of the total. Sites categorized as having "low-medium" baseline water stress were the most prevalent, with 219 sites, which accounted for 61.3%. Lastly, 69 sites were assessed as having "low" baseline water stress, comprising 19.3% of the total.

Level	Number of locations	Geographical locations
Extremely High	41	China, Belgium, U.S.
High	11	China, Canada, Thailand
Medium – High	17	Chiana, Japan, South Korea, U.S., Vietnam
Low – Medium	219	Taiwan, China, Hong Kong, Japan,Vietnam, Ireland
Low	69	China, Malaysia, Singapore



Results from Baseline Water Risk Analysis for Locations of Wistron's Global Suppliers

4.1.2.2 Baseline Overall Water Risk Analysis for Locations of Wistron's GlobalSuppliers

Among Wistron's 357 suppliers, the distribution of comprehensive water resource risk levels is as follows: 12 supplier sites are categorized with a baseline water risk level of "Extremely High," accounting for 3.4% of the total. Additionally, 47 sites are assessed as having a "High" risk level, representing 13.2% of the total. Furthermore, 121 sites fall under the "Medium-High" risk category, making up 33.8%, while 173 sites are classified as having a "Low-Medium" risk level, which constitutes the largest proportion at 48.5%. Lastly, 4 supplier sites are rated at the "Low" risk level, accounting for 1.1% of the total, with the majority of these located in Singapore.

Level	Number of locations	Geographical locations
Extremely High	12	China, Vietnam, U.S.
High	47	China,Thailand, Vietnam, U.S.
Medium – High	121	China, Hong Kong, Belgium, U.S.
Low – Medium	173	China, Japan, South Korea, Malaysia, Taiwan, Ireland, Canada, U.S.
Low	4	Singapore



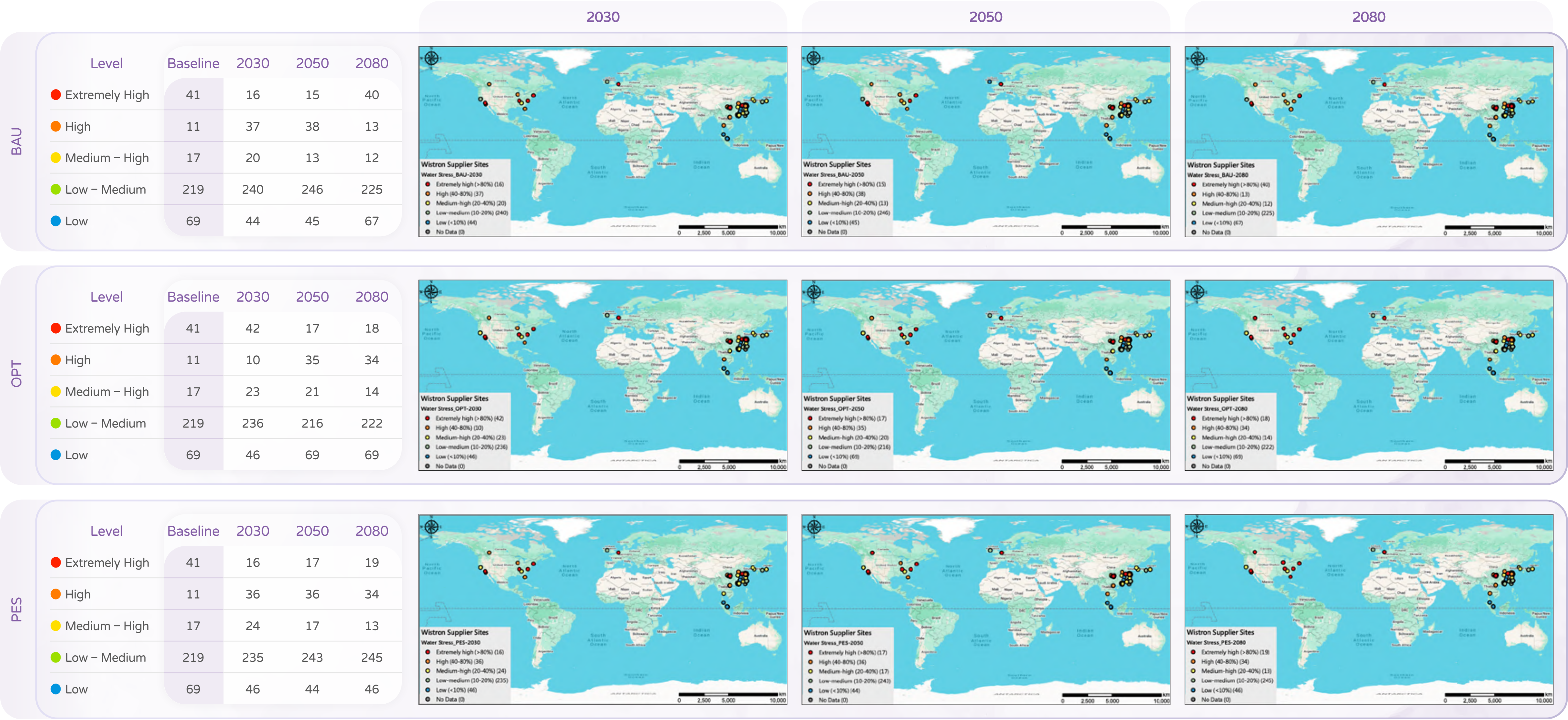
Results from Baseline Overall Water Risk Analysis for Locations of Wistron's Global Suppliers

4.1.2.3 Analysis of Water Stress Under Climate Change for Global Wistron Suppliers

Using the World Resource Institute's Aqueduct tool, Wistron evaluated water stress across three timeframes - short-term (2030), medium-term (2050) and long-term (2080) - for three climate change scenarios (BAU, OPT & PES), resulting in nine water stress projections. To expound on the three climate change scenarios: BAU (Business As Usual) represents the SSP3 RCP7.0 scenario and is characterized by limited climate policy intervention, a medium-to-high forcing pathway, extensive land-use changes, and high emissions of near-term climate forcers (NTCFs), resulting in elevated social vulnerability; OPT (Optimistic) represents the optimistic SSP1-RCP2.6 scenario, a low-forcing pathway that models a global temperature increase of below 2°C by 2100 under multi-model averages; and PES (Pessimistic) is the pessimistic SSP5-RCP8.5 scenario, a high-forcing scenario characterized by continued heavy reliance on fossil fuels. To expound on the time frame, short-term projections (for 2030) are based on the weighted aggregate values from 2015 to 2045, medium-term projections (for 2050) are based on the weighted aggregate values from 2035 to 2065, and long-term projections (for 2080) are based on the weighted aggregate values from 2065 to 2085. The WRI Aqueduct tool can be used to identify high-risk areas and assist in addressing water challenges under various climate change pathways, and support overall decision-making when adjusting near-term policies to long-term plans. Projections show that the number of supplier locations considered extremely high or low water risk decreases from the baseline, while the number of high or low-medium water risk supplier locations increase from the baseline.



Water Risk Levels of Global Wistron Suppliers across Climate Change Scenarios & Time Frames



4.2 Site Analysis for Value Chain

4.2.1 Domestic Suppliers

A total of 52 major domestic supplier locations overlaps with conservation zones protected by regulations. These include coastal nature reserves (Tamsui River Estuary Coastal General Protection Area & Tamsui River Estuar y Coastal Nature Reserve), wildlife refuges (Taipei City Waterbird Refuge & Taoyuan Gaorong Wildlife Refugee), major wildlife habitats including the (Taipei City Zhongxing and Yungfu Bridges Waterbird Major Wildlife Habitat & Taoyuan Gaorong Major Wildlife Habitat), nature reserves (Tamsui River Mangrove (Hongshulin) Conservation Area & Hokutolite Nature Reserve), and important wetlands (Danshuei River Drainage Important Wetland, Taoyuan's Reservoir and Canal Important Wetland, Nangang 202 Arsenal and Periphery, Xucuogang Important Wetland, Banping Lake Important Wetland, Zhouzi Wetland Park & Touqian River Ecological Park). In addition, 37 supplier locations intersect with areas not designated by law but still recognized as ecologically sensitive. These include conservation corridors (Southern Jianan Plain, Taoyuan Pond Plain Wetland, Fengshan Creek and Touqian Creek Watershed, Taoyuan-Hsinchu-Miaoli Coastal Wetland, Wuxi Basin (including its middle and lower reaches and the Fazi River tributary), Southern Miaoli Mountain Foothills, and the Dadu Mountain & Low-Elevation Mountain Areas) and key biodiversity areas (Taipei City Waterbird Refuge, Waziwei Nature Reserve, the Hsinchu Coastal Area & Guandu).

4.2.2 Global Suppliers

4.2.2.1 Global Supplier Locations: Biodiversity Impact Analysis (Protected Areas)

A total of 96 global supplier sites intersects with areas designated as IUCN Protected Areas. Of these, 89 sites are located in Asia, including 52 in Taiwan, 35 in Hong Kong (Pok Fu Lam Country Park [Category V], Aberdeen Country Park [V], Tai Tam Country Park [V], Kam Shan Country Park [V], Lion Rock Country Park [V], Shing Mun Country Park [V], Tai Mo Shan Country Park [V], Tai Lam Country Park [V], Ma On Shan Country Park [-], and Shek O Country Park [-]), two in Japan (in prefectural-designated Wildlife Protection Areas [IV]), two in Europe (one in Belgium at the Vlassenbroekse Polder en Schorren [IV], De Vallei van de Boven Zeeschelde van de Dender- tot de Rupelmonding [-], and Schelde- en Durmeëstuarium van de Nederlandse grens tot Gent [-]) and one in Ireland at the Dublin Bay [-], Sandymount Strand/Tolka Estuary [-], and Sandymount Strand/Tolka Estuary SPA [-]), and five in the U.S. (Waterfall Glen [Ia], Wood Ridge [Ia], Don Edwards San Francisco Bay National Wildlife Refuge [IV], Don Edwards San Francisco Bay [IV], Wood Ridge 1 [V], Forest Preserve District of Cook County [V], William B. Umstead [V], and Los Peñasquitos Canyon [V]).

4.2.2.2 Global Supplier Locations: Cultural and Natural Heritage Sites

According to cultural and natural heritage site analysis, 61 supplier locations overlap with cultural or natural heritage sites. Among them, three are in China and overlap with key biodiversity areas (Inner Deep Bay and Shenzhen River catchment area & Baishiyi Nature Reserve), 39 are in Hong Kong and overlap with key biodiversity areas (Inland New Territories, Tai Po Kau, Shing Mun and Tai Mo Shan area & Hong Kong Island and Associated Islands), one in Japan and overlaps with a key biodiversity area (Yodo River System), one in Singapore and overlaps with a key biodiversity area (Ubin-Khatib), 16 in Taiwan and overlap with key biodiversity areas (Taipei City Waterbird Refuge, Waziwei Nature Reserve, the Hsinchu Coastal Area & Guandu), and one in Ireland that overlaps with a key biodiversity area (Dublin Bay) and a Ramsar wetland (Sandymount Strand/Tolka Estuary).

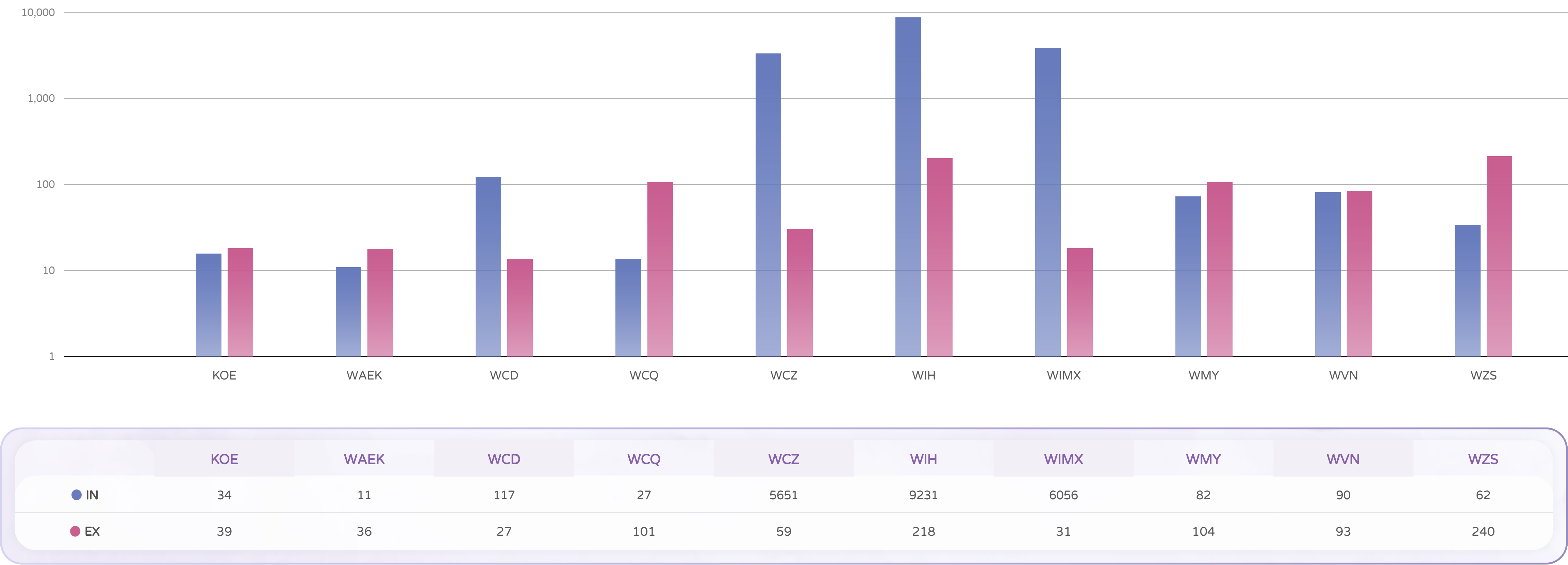
4.2.2.3 Global Supplier Locations: Biodiversity Impact Analysis (Endangered Species)

According to biodiversity impact analysis of 375 global locations, all locations intersect with species listed in the IUCN Red List, demonstrating potential impact risks. Among the 357 supplier locations, Singapore locations demonstrated the highest threat level, overlapping with 304 species. However, Canada has the highest percentage of Critically Endangered species at 25, reflecting conservation pressures facing these habitats. Overall, biodiversity is impacted by various human activities, and differentiated conservation strategies must be adopted based on the characteristics of different species and habitats to minimize potential impacts on ecosystems. Moving forward, Wistron will conduct in-depth assessments of supplier operations to determine whether they pose additional pressure or threats to endangered species, in order to develop targeted conservation and management measures.



4.2.3 Downstream Activities

Wistron's downstream activity data shows a total of 22,309 activities, which include import and export operations across 10 plants. Biodiversity impact analysis of downstream activity sites within protected areas indicates that 1,710 activity sites intersect with IUCN Protected Areas. Additionally, according to cultural and natural heritage site analysis, 9,893 sites overlap with cultural or natural heritage sites. The biodiversity impact analysis further reveals that these sites intersect with species listed in the IUCN Red List, demonstrating potential impact risks. Overall, biodiversity is impacted by various human activities, and differentiated conservation strategies must be adopted based on the characteristics of different species and habitats to minimize potential impacts on ecosystems. Moving forward, Wistron will conduct in-depth assessments of supplier operations to determine whether they pose additional pressure or threats to endangered species, in order to develop targeted conservation and management measures.



4.3 Supply Chain Dependence on Nature & Impact Analysis

To assess the materiality of nature and biodiversity dependencies and impacts across the value chain, we conducted a supplier survey to evaluate the level of concern and risks associated with environmental issues across suppliers. The level of concern was rated higher when more suppliers reported experiencing the same environmental dependencies or impacts. A higher response rate on a given issue indicates greater exposure within Wistron suppliers. Different questions were also designed to differentiate between supplier dependencies and impacts on critical environmental issues of concern to suppliers.

• Level of impact from dependencies

- 1. Level of impact of a disaster on operations, from plant closure to minor impacts to employees or the environment.
- 2. Are there response measures in place to mitigate impacts from such disasters?

• Level of impact from impacts

Impact refers to potential negative outcomes of business activities, such as pollution emissions or ecological disruption. In the absence of any mitigation or management measures, these activities are considered to carry the highest risk.

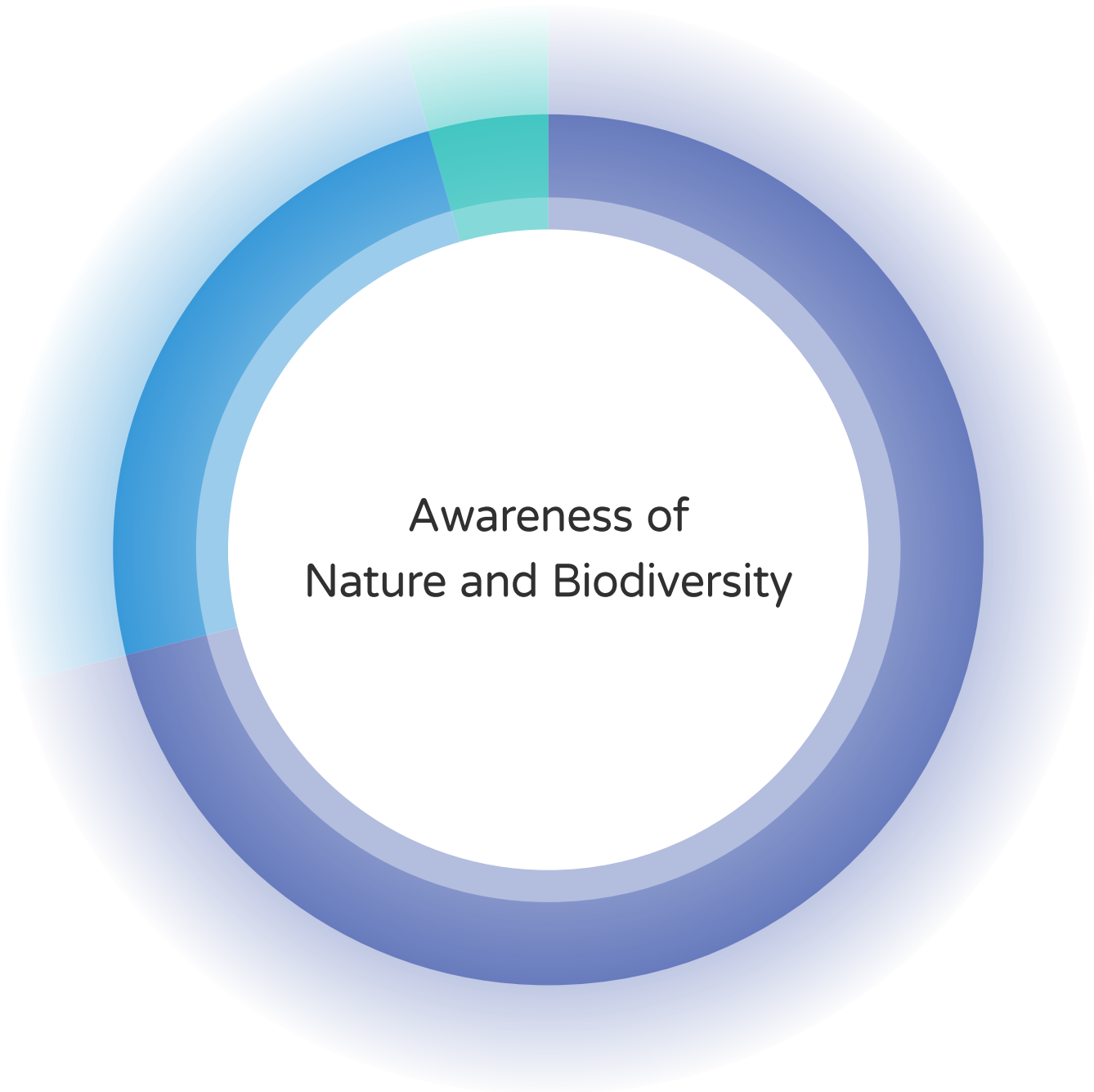
Risk reduction is assessed based on:

- 1. Management measures: Are there basic management and control measures in place?
- 2. Mitigation targets: Are there any targets aimed at mitigating and tracking related activities.

Dimension	Description	Formula
Level of concern	Number of suppliers reporting exposure to a specific environmental dependency or impact	Organization Exposure (Dependency / Impact) j $= \sum \left(\frac{\text{Number of disasters (dependency / impact) selected by suppliers } i,j}{\text{Number of survey responses } i} \times \text{Weight } i \right)$
Risk level	Different questions were designed to differentiate between supplier dependencies and impacts on critical environmental issues of concern to suppliers • Level of impact from dependencies • Level of impact from impacts	-
Calculation of risk by dependency	Impact Level • Plant closure or relocation (5) • Affects capital/expenditures (4) • Affects orders/customer trust (3) • Disrupts supply chain (2) • Affects workplace environment (1)	Supplier' s Pre-adaptation Risk Levels $= \frac{\sum (\text{Supplier impact score} \times \text{Number of organizational responses})}{\text{Number of responses} \times 5}$
	Management Measures • Mitigation plans/management measures in place to address potential changes in nature (2) • Mitigation plans/management measures in development (1) • Mitigation plans/management measures not available (0)	Mitigation Rate $= \frac{\sum (\text{Score of management measures} \times \text{Number of responses})}{\text{Number of responses} \times 2}, \text{ Max: 90\%}$
		Supplier' s Post-adaptation Risk Levels = (Original risk level × (1-Mitigation rate))
		Post-adaptation Risk Levels for All Suppliers $= \sum \left(\text{Post-adatpation risk level for the organization} \times \text{Weight of the organization} \right)$
Efficacy of management measures	• Comprehensive monitoring & management measures (2) • Compliant measures (1) • Monitoring & management measures not available (0)	Mitigation Rate from Management Measures = $\frac{\sum (\text{Impact level} \times \text{Number of responses})}{\text{Number of responses} \times 2}$
	• Targets & progress tracking in place (2) • Targets in place w/o progress tracking (1) • Targets not available (0)	Mitigation Rate from Target Setting = $\frac{\sum (\text{Management Measures} \times \text{Number of responses})}{\text{Number of responses} \times 2}$

4.3.1 Supply Chain Dependency

To survey supplier dependency on nature, Wistron issued 371 surveys to suppliers and recovered 334 valid responses.



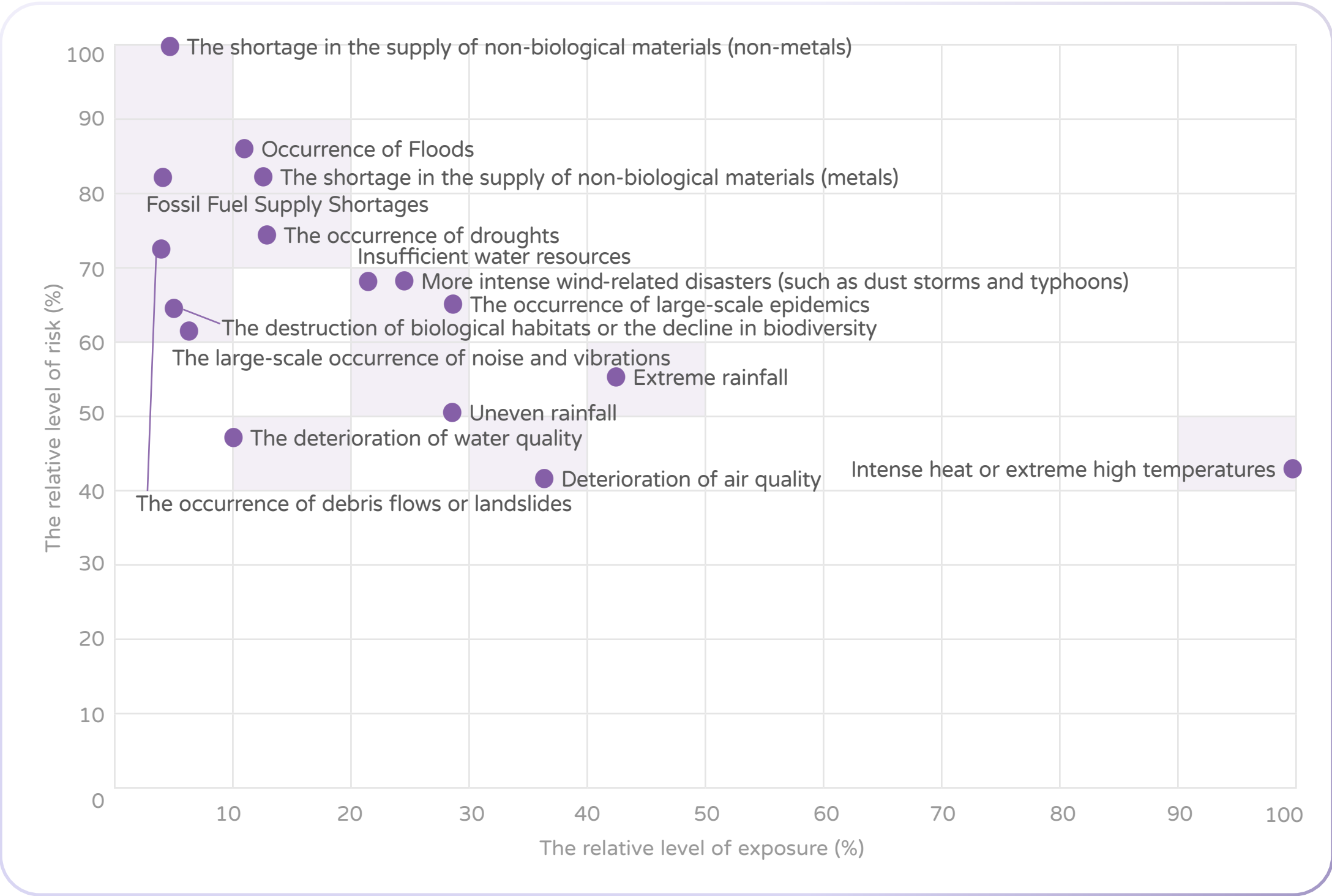
- 238 The company fully understands the risks of changes in the biodiversity and natural environment surrounding its operating locations.
- 82 The company partially understands the risks of changes in the biodiversity and natural environment surrounding its operating locations.
- 14 The company does not yet understand the risks of changes in the biodiversity and natural environment surrounding its operating locations.



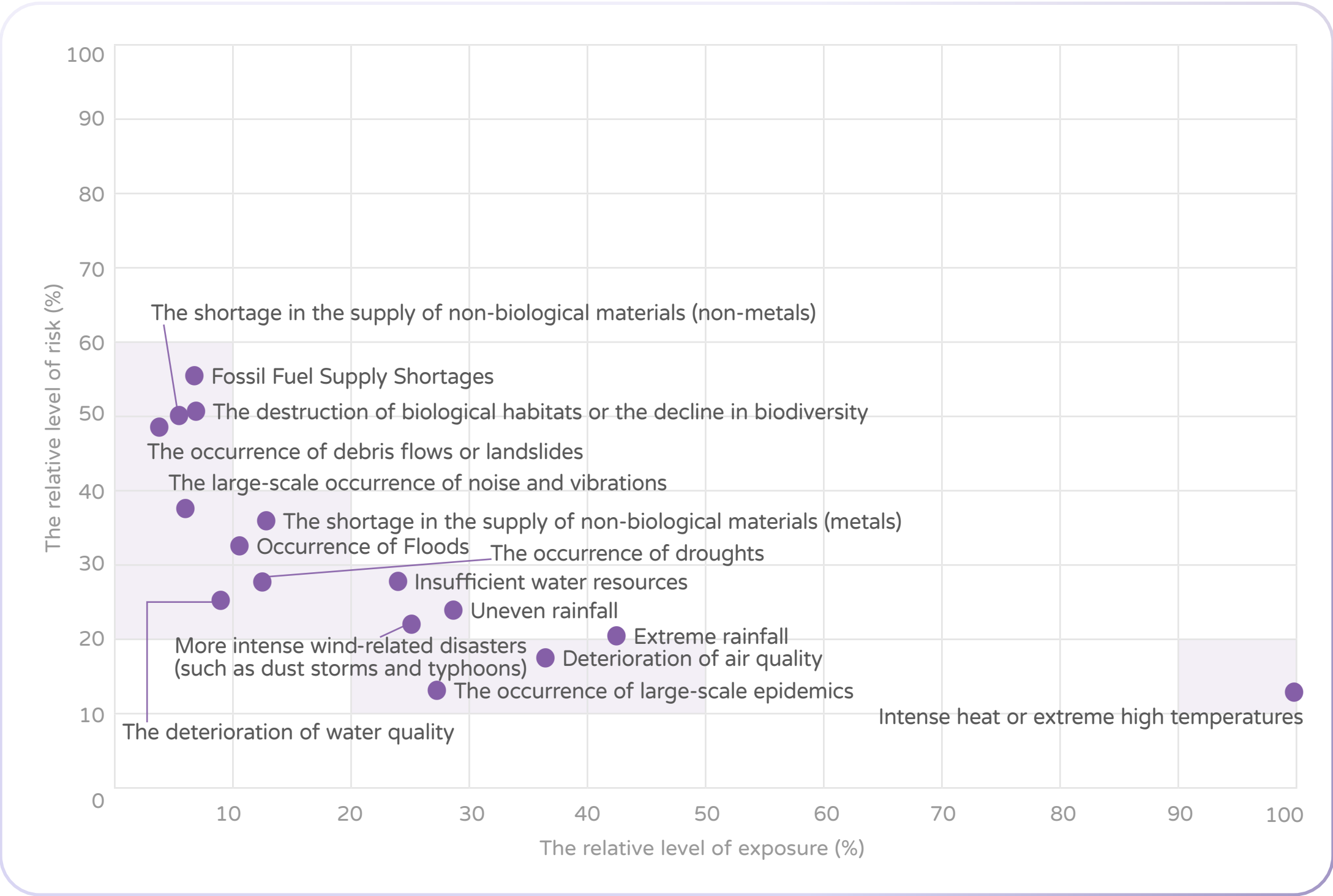
- 171 Electronic Components Manufacturing Industry
- 64 Manufacture of Computers, Electronic Products, and Optical Products
- 23 Manufacture of Metal Products
- 22 Manufacture of Rubber, Plastic, and Non-metallic Products
- 14 Other Service Industries
- 8 Wholesale and Retail
- 8 Transportation and Storage
- 4 Furniture and Other Manufacturing
- 3 Manufacture of Electrical and Machinery Equipment
- 3 Manufacture of Chemical Fertilizers, Chemicals, and Pharmaceutical Products
- 3 Manufacture of Wood, Bamboo, and Pulp and Paper Products
- 3 Printing and Reproduction of Recorded Media
- 3 Construction Engineering
- 2 Textiles, Garments, Apparel, and Leather Fur Industry
- 2 Iron, Aluminium, Copper, and Other Metal Manufacturing Industry
- 1 Agriculture, Forestry, Fishery, and Animal Husbandry

Matrix Analysis of Supplier Dependency on Nature

Natural Dependence (Disaster) Materiality Matrix (Before Adaptation)



Natural Dependence (Disaster) Materiality Matrix (After Adaptation)



Management Indicators & Units of Supplier Dependency on Nature

Wistron leverages key indicators to manage our supply chain's dependency on natural resources and support sustainable development. Upon assessment, Wistron has decided to prioritize target-setting for fossil fuel supply shortage, as the industry faces the highest risks. We are working with suppliers to promote energy conservation and decarbonization plans in an effort to reduce our supplier's reliance on nature and gradually reduce fossil fuel use. Subsequently, with the help of data analysis, Wistron was able to assess the level of impact of supplier operations on ecosystems and develop mitigation and adaptation strategies accordingly to reduce natural capital risks and ensure the resilience and sustainability of our supply chain.

Services	Sub-categories	Mechanisms of Change in State	Indicators	Unit	Early Warning System	Objectives
Abiotic flows	Fossil fuels	Fossil fuel shortage	Energy conservation and decarbonization plans across the supply chain	tCO ₂ e	Energy Conservation & Decarbonization Plans in the Supply Chain: Encourage suppliers to implement energy conservation and decarbonization initiatives, including decarbonization in plants, equipment optimization, raw material carbon reduction, process optimization, adoption of low-carbon technologies, and renewable energy substitution, to gradually reduce reliance on fossil fuels	Mid-term target: Achieve a cumulative carbon reduction of 180,000 tCO ₂ e across the supply chain by 2030

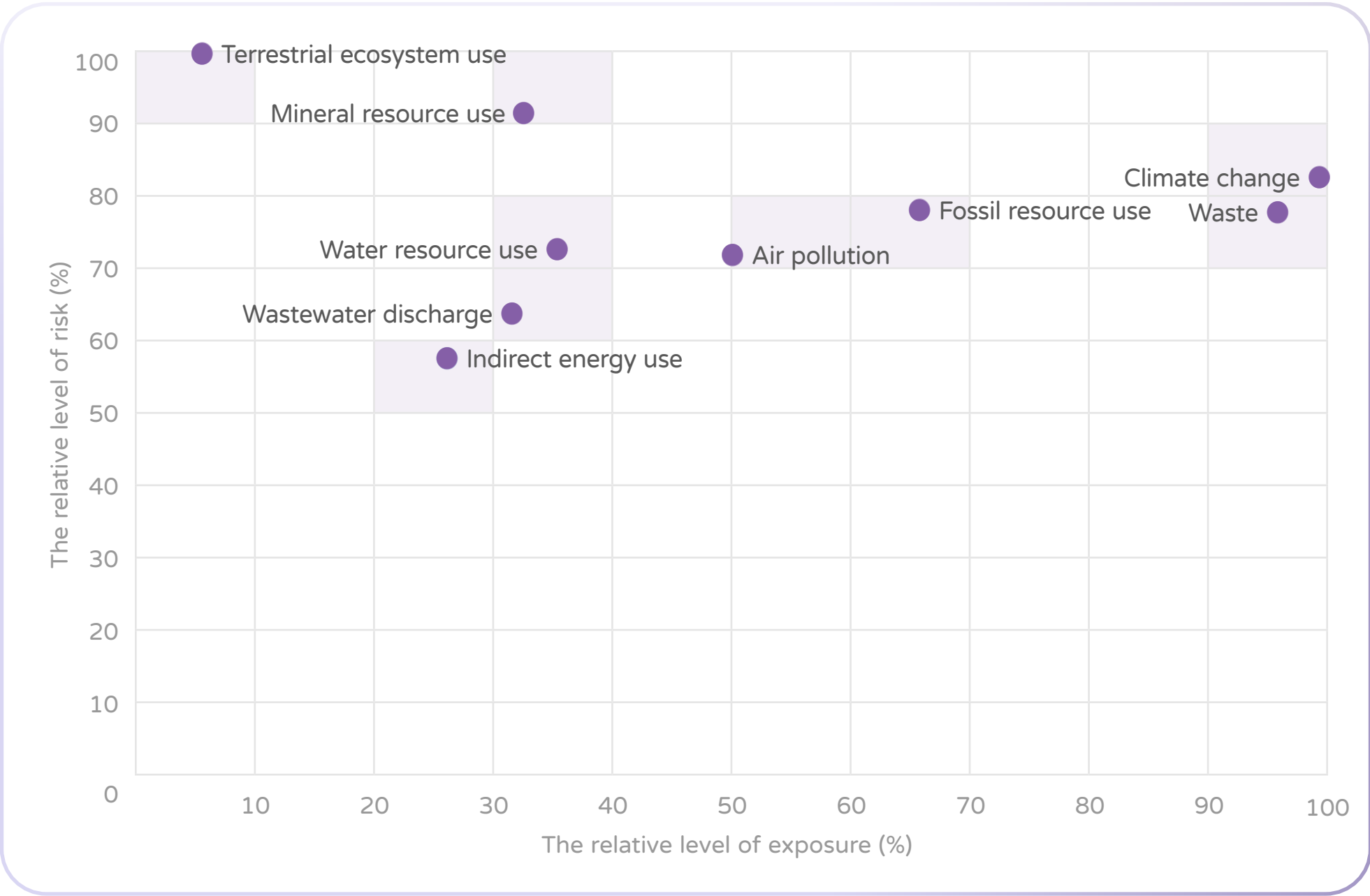


4.3.2 Supply Chain Impact

Analysis of Supplier Impact on Nature

To assess the impact of supplier operations on the environment, Wistron conducted analysis on suppliers for various impacts on nature. The figure below shows the materiality of supplier impact on nature. Suppliers of specific industries are more dependent on natural resources at the raw material extraction, production, or waste disposal stages, which exacerbates stress on our ecosystems. To mitigate our supply chain's impact on nature, Wistron advocates for green procurement and the circular economy. We also leverage data monitoring and environmental management systems to ensure suppliers are operating with accountability. In addition, we emphasize collaborating with suppliers and helping them with capacity building, encouraging a cooperative approach to eco-friendly technologies and low-impact production.

The significance of natural impact categories



Management Indicators & Units of Supplier Impact on Nature

Based on an evaluation of suppliers' natural dependencies, Wistron has established corresponding management indicators and measurement units to address nature-related impacts, with a particular focus on suppliers with higher exposure to climate change and waste.

Impact Drivers	Sub-categories	Description	Indicators	Unit	Management (Mitigation) Approach	2024 Targets	2030 Targets
Climate Change	GHG emissions	Production processes generate GHG emissions (Scope 1+2), and GHG emissions is now a topic of concern to customers (sometimes even Scope 3)	Percentage of high energy consuming material suppliers with ISO 14064-1 GHG Inventory verification	%	GHG Inventory Verification for Suppliers: Encourage suppliers to verify ISO 14064-1 GHG Inventory to better understand their GHG emissions and develop emission reduction targets/plans accordingly	70% of high energy consuming material suppliers obtain ISO 14064-1 GHG Inventory verification	85% of high energy consuming material suppliers obtain ISO 14064-1 GHG Inventory verification
Waste	Solid waste	Production processes generate industrial waste that requires reporting in compliance with regulations	Percentage of Tier 1 suppliers that have completed risk assessments on hazardous substances and waste management	%	Supplier Risk Assessments on Hazardous Substances & Waste Management: Conduct assessments in accordance with Wistron's supplier risk assessment procedures	100% of Tier 1 suppliers complete risk assessments on hazardous substances and waste management	100% of Tier 1 suppliers complete risk assessments on hazardous substances and waste management

5. Conclusion

Conclusion



Black-faced Spoonbill

The black-faced spoonbill is the most endangered migratory bird among the six species of spoonbills in the world and was internationally classified as an endangered species. Every year in September and October, over 60% of the global population of Black-faced Spoonbills flies to Taiwan to spend the winter, staying until they begin their northward migration in March or April of the following year. Wistron enhances public awareness and support for ecological protection through long-term conservation efforts.

5. Conclusion

In the face of global challenges such as climate change and loss of natural capital, corporate responsibility extends beyond operational optimization and should reflect a profound commitment to our environment and society. At Wistron, we recognize that value creation is contingent on the mutual progression of technology and sustainability. As such, we have incorporated decarbonization and biodiversity protection in our business strategies. Furthermore, we are systematically identifying risks and capitalizing on opportunities with the TCFD and TNFD frameworks, ensuring that each future step we take brings us further to shared prosperity with our environment.

On our path to transformation, Wistron has advocated for low-carbon manufacturing, greater energy efficiency, and broader renewable energy applications. We have collaborated with our supply chain partners to build a sustainable value chain. With the LEAP methodology, we have been able to accurately identify the impact of business activities on the ecosystem, ensuring that development never compromises our protection of natural resources. We believe that embracing green innovation is the only path to carving a space for Wistron in our sustainable future.

Looking forward, we will not only commit, but also take action. Wistron will launch an internal carbon pricing mechanism to incorporate environmental costs into our decision-making and propel the organization toward a low-carbon transformation. We are committed to achieve carbon neutrality across Wistron's operations by 2030 and net-zero emissions across the entire value chain by 2050, creating a more climate-resilient operation through smart manufacturing and the circular economy. In addition, we will strengthen biodiversity management, ensuring we consider natural capital into our valuation standards and that we give back to our plant at every stage of success. This is not just our mission, but our commitment to future generations. Looking forward, Wistron will continue to promote environmental protection and sustainable development with higher standards and great resolve. As we move forward, let us work together to bring technology and nature together for a better future!





6. Appendix

Appendix I. TCFD Index

Appendix II. TNFD Index

Appendix III. Electricity Emission Factor Table

Appendix IV. Statistics on the Number of Species Potentially Affected by Wistron Locations

Appendix V. Impact Assessment of Endangered Species Listed in the IUCN Red List:
Analysis of Downstream Transportation Hubs



Pangolin

The pangolin is covered in gray scales all over its body, with a pointed mouth that has no teeth and a sticky long tongue. Its front claws are quite large and strong, making them well-suited for climbing trees and easily opening ant nests for feeding. When threatened, it curls up into a ball. Wistron enhances public awareness and support for ecological protection through long-term conservation efforts.



6. Appendix

Appendix I. TCFD Recommendations

Dimension	Disclosures	Chapter / Section	Page
Governance	a) Describe the board’s oversight of climate-related risks and opportunities	1.1 Governance & Management Framework	4-6
	b) Describe management’s role in assessing and managing climate-related risks and opportunities	1.1 Governance & Management Framework	4-6
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	2.1 Risks & Opportunities	11-18
	b) Describe the impact of climate related risks and opportunities on the organization’s businesses, strategy, and financial planning	2.1 Risks & Opportunities	11-18
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario	2.3 Transition Scenario Analysis	26-33
Risk Management	a) Describe the organization’s processes for identifying and assessing climate-related risks	2.1 Risks & Opportunities	11-18
	b) Describe the organization’s processes for managing climate-related risks	1.1 Governance & Management Framework 2.1 Risks & Opportunities	4-6, 11-18
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	1.1 Governance & Management Framework 2.1 Risks & Opportunities	4-6, 11-18
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process	2.1 Risks & Opportunities	11-18
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	2.3 Transition Scenario Analysis	26-33
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	1.4 Linking Compensation with Sustainability Performances 2.4 Climate Targets & Visions	9, 34

Appendix II. TNFD Recommendations

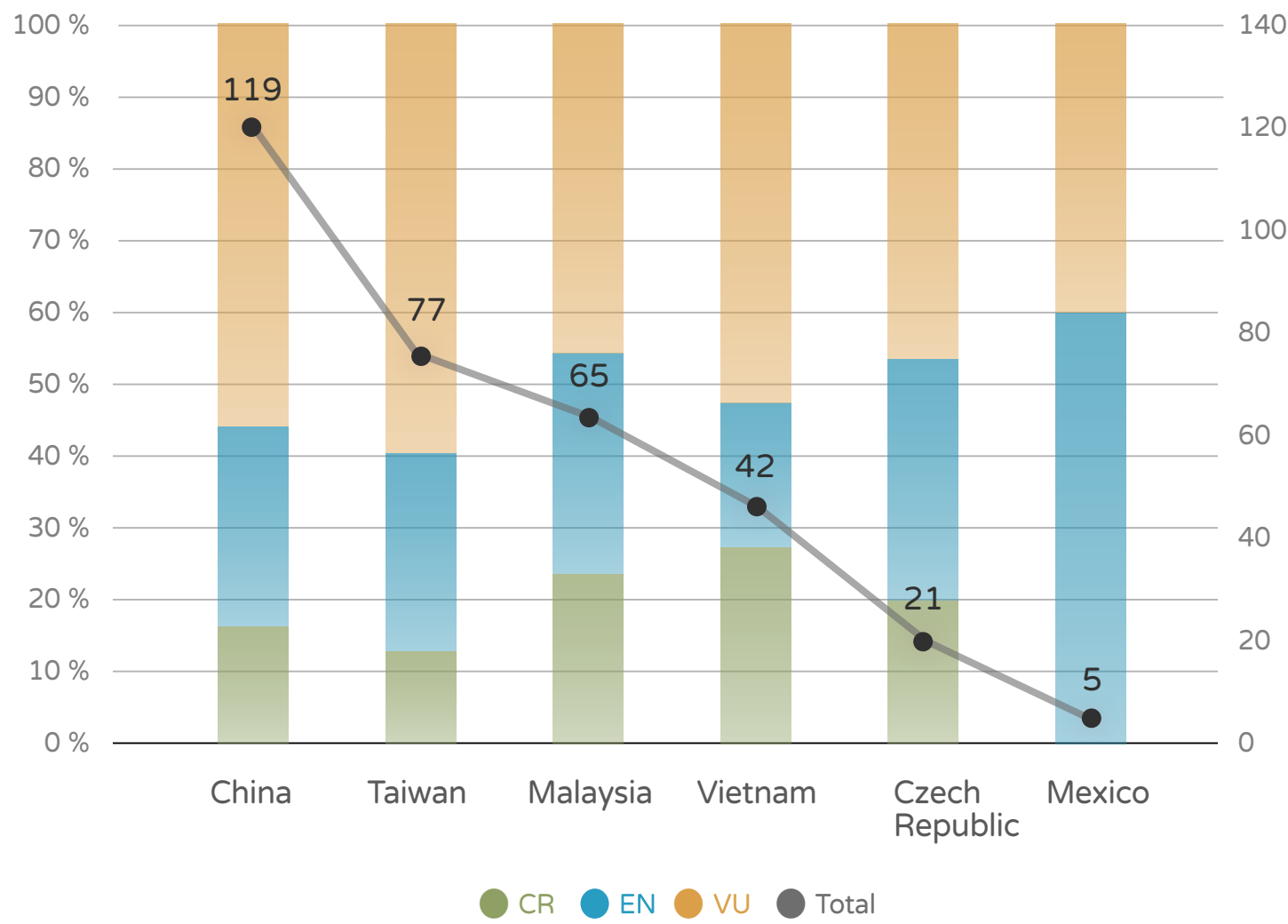
Dimension	Disclosures	Chapter / Section	Page
Governance	A. Describe the board’s oversight of nature-related dependencies, impacts, risks and opportunities.	1.1 Governance & Management Framework	4-6
	B. Describe management’s role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	1.1 Governance & Management Framework	4-6
	C. 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.	1.1 Governance & Management Framework	4-6
Strategy	A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	3.4 Nature-related Risks & Opportunities	51-56
	B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation’s business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	3.4 Nature-related Risks & Opportunities	51-56
	C. Describe the resilience of the organisation’s strategy to nature-related risks and opportunities, taking into consideration different scenarios.	3.3 Analysis on Nature Dependence & Impact	45-50
	D. Disclose the locations of assets and/or activities in the organisation’s direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	3.2 Site Analysis 4.2 Site Analysis for Value Chain	37-44 65-66
Risk Management	A (i) Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	3.3 Analysis on Nature Dependence & Impact	45-50
	A (ii) Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).		
	B. Describe the organisation’s processes for monitoring nature-related dependencies, impacts, risks and opportunities.	3.3 Analysis on Nature Dependence & Impact	45-50
	C. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation’s overall risk management processes.	3.4 Nature-related Risks & Opportunities	45-50
Metrics and Targets	A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	3.3 Analysis on Nature Dependence & Impact	45-50
	B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	3.3 Analysis on Nature Dependence & Impact	45-50
	C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	3.3 Analysis on Nature Dependence & Impact	45-50

Appendix III. Electricity Emission Factors Table

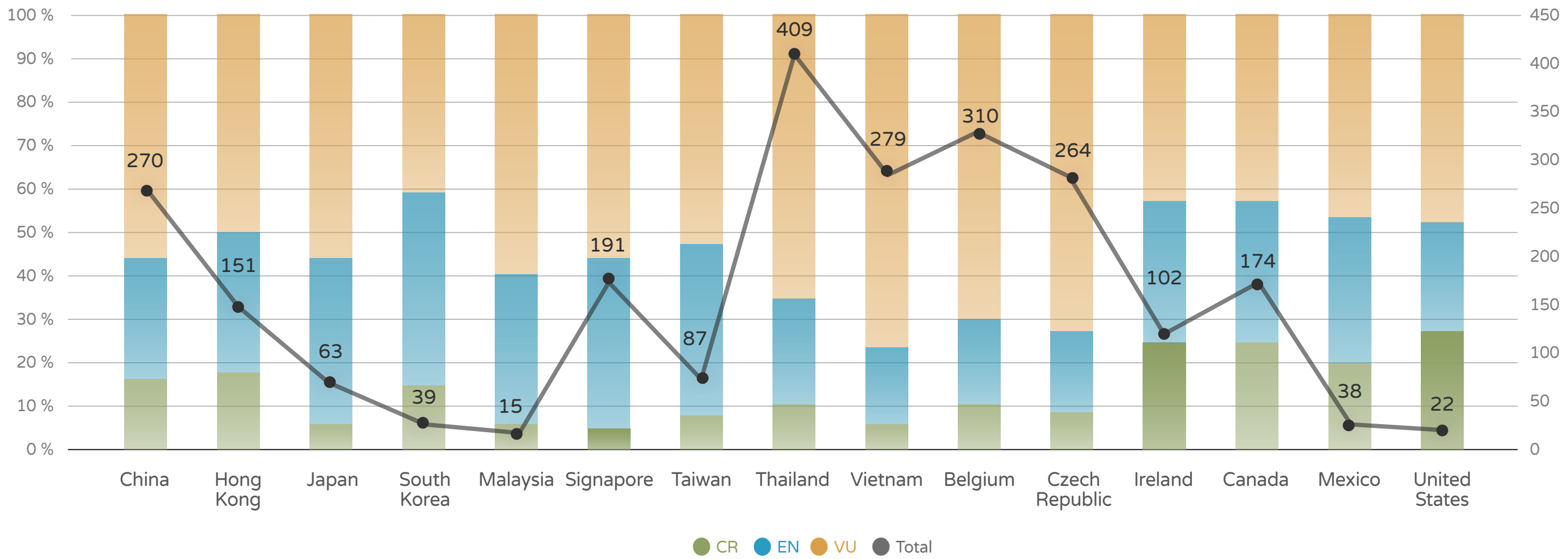
Geographical Location	Electricity Emission Factor (tCO2e/MWh)		Description
Taiwan	0.4940	Taipower Electricity Emission Coefficient	
China	0.5856	State Council Announcement of Grid Average Emission Coefficient (Excluding Market-based Trading)	
Mexico	0.4380	Mexico Energy regulatory commission (CRE) in 2023	
Vietnam	0.6592	No. 327/BDKH-PTCBT of the Department of Climate Change, 19/03/2024	
Malaysia	0.7740	Malaysia Grid Emission Factor for Peninsular calculated by the Energy Commission, 2022	
Czech Republic	0.5500	European Residual Mixes Results of the calculation of Residual Mixes for the calendar year 2021	
Other Global Locations	0.5037	IEA emission factor 2024: weighted average of Electricity Emission Coefficients by country	

Appendix IV. Statistics on the Number of Species Potentially Affected by Wistron Locations

Wistron has completed an analysis of 375 global Wistron locations (18 locations with self-owned/leased assets & 357 supplier locations) for any endangered species as defined by the IUCN Red List. Among locations with Wistron's self-owned/leased assets, locations in China intersect with the highest total number of threatened species potentially affected, while the Vietnam location overlap with the highest percentage of critically endangered (CR) species. Among supplier locations, those in Singapore are intersect with the highest total number of threatened species, while the site in Canada has the highest proportion of CR species affected.



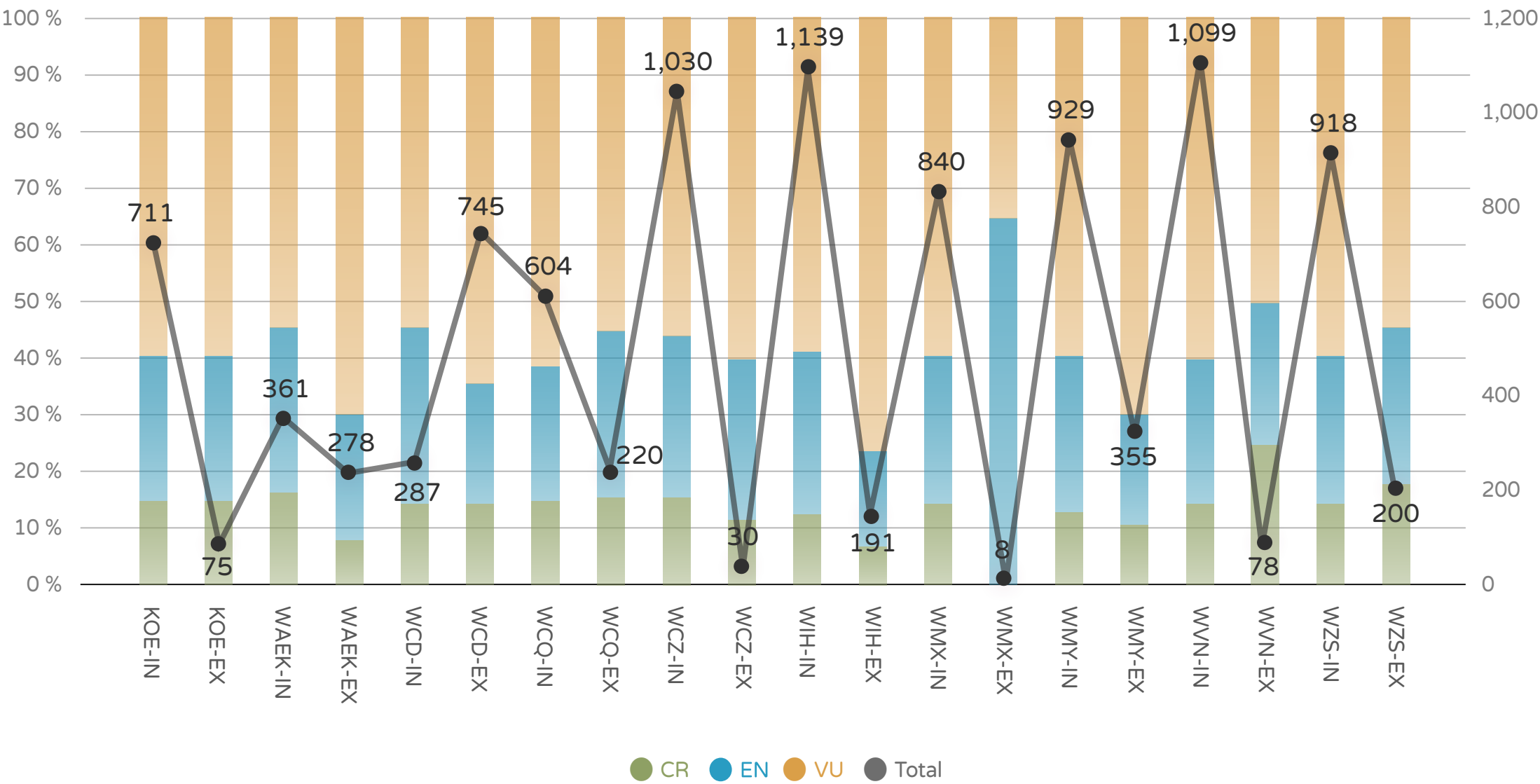
Percentage of affected categories (own assets)



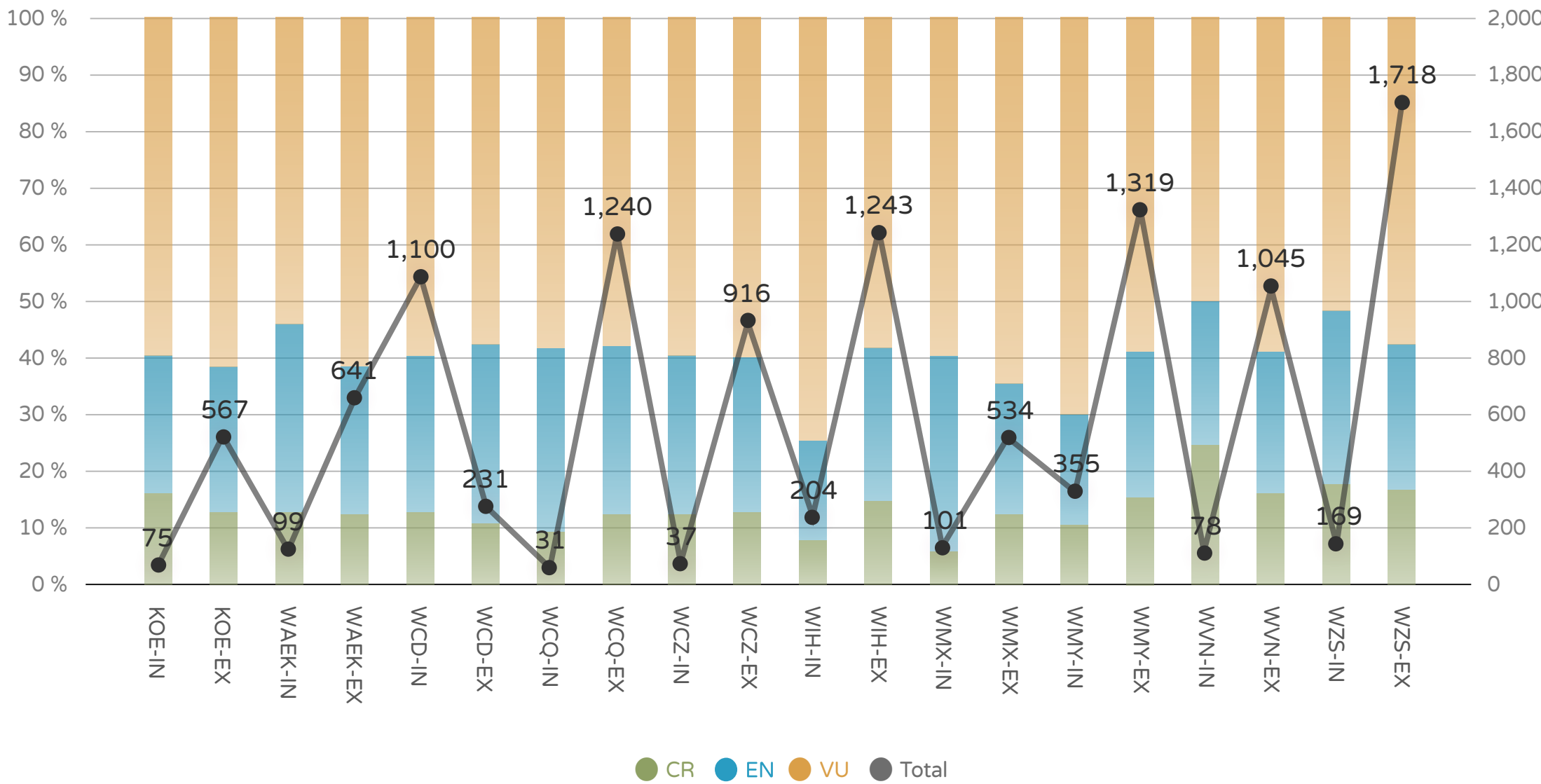
Percentage of affected categories (Suppliers)

Appendix V. Impact Assessment of Endangered Species Listed in the IUCN Red List: Analysis of Downstream Transportation Hubs

Wistron also completed analysis for 22,309 global shipping locations for any endangered species as defined by the IUCN Red List. Among shipping origins, the WIH_IN site affects the highest total number of threatened species, while the WVN_EX site affects the highest proportion of CR species. Among shipping destinations, the WZS_EX site affects the highest total number of threatened species, while WVN_IN affects the highest proportion of CR species.



Percentage of affected categories (starting point)



Percentage of affected categories (ending point)



wistron®