



2024 SUSTAINABILITY REPORT

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Chairman Message

Value Key Stakeholders, Make ESG as PSA's DNA!

Although there are global economy changes and geopolitical conflict in the past year, PSA still grows steadily and even expands our enterprises gradually. Till 2024, we have grown into an international group with ten listed companies, approximately 39,000 employees, and the total revenue is about NT\$ 104.5 billion. These achievements are attributed to the dedication of PSA colleagues and the support of our shareholders. Therefore, we place great emphasis on the core principle of "Value Key Stakeholders, including shareholder value, employee well-being, and social responsibility" among PSA's seven key management philosophies. We strive to ensure corporate profitability and reasonable returns for shareholders while actively taking action on corporate social responsibility, creating a high-quality work environment where employees can thrive together with the company. This, in turn, enhances operational performance and ultimately benefits both shareholders and society, achieve a win-win cycle of sustainable management. We will continue to take action in ESG—Environmental, Social, and Governance—to build a solid foundation for the group's sustainable development.

The 2024 United Nations Climate Change Conference (COP29) embraces the vision of "United for a Green World," inspiring us to continue advancing environmental protection policies. PSA keeps taking action in environmental-friendly products and supplier management. We strictly abide by international environmental protection laws, develop environmental-friendly products that comply with international environmental standards. Also, we enforce a local procurement policy and conduct supplier evaluations based on economic, environmental, and social criteria. Since investing in Walsin New Energy Corporation in 2023, we have engaged in renewable energy investment, development, construction, operation, maintenance, and energy storage deployment, fully launching our green transformation with the goal of gradually increasing the use of renewable energy. Protecting the environment and promoting the sustainable development of our planet is our responsibility.

In social responsibility and employee benefits, PSA establish systematic policies for human rights, employment relationship, salary, training, promotion, retirement, etc. Starting from the aspects of cultivating talents, retaining talents, communication, and living assistance. We care for employees and value talents, in order to lead group companies to become social enterprises. We value employees' health and occupational safety, comply with occupational health and safety regulations, conduct regular health and safety training to all employees, create a smoke-free and pregnant-friendly working environment, provide health checks, set up health-care stops in each plant.

In terms of talent development, as the group expands globally, we not only allow employees to apply for overseas assignments but also continue to cultivate local talent at various operational sites to enhance operational efficiency and drive growth momentum. At present, a considerable proportion of management is from local talents. In addition, we design training courses and set up an online learning system, which provide employees with convenient and efficient learning tools to enhance self-growth and industrial competitiveness. We also plan a complete performance and function evaluation, refers to the reasonable salary level of the talent market, and implement a dividend and incentive bonus system in accordance with the annual assessment performance of employees, so that employees can work with peace of mind, continue contributing talents, and grow with the company.

Chairman Message

Value Key Stakeholders, Make ESG as PSA's DNA!

In order to achieve transparent communication, we have established proposal systems and suggestion boxes, which help knowing colleagues' suggestions and timely response, and facilitate internal company communication within the company. PSA Charity Foundation, which is also attached to the group, has a unique employee assistance program "EAP (Employee Assistance Program)". Professionals provide employee confidentiality and professional consulting services to assist colleagues in solving work and psychological emotions, stress, health, family, finance, and law problems. In addition, we also conduct interviews with new employees through the "Qingyutang" to help them quickly adapt to the company's culture, which solve emotional problems that affect employees' working performance. At present, there are more than 7,500 employees join in the official Line account, which can help solve employees' problem by private and bilateral communicate. Till 2024, 465 care management and stress relief courses have been completed, 82 courses are completed in 2024. 645 employee care interviews have been completed from 2020 to 2024, total 4,847 employees have benefited from it.

Continuing the concept of giving back to the society, PSA Charity Foundation continues devoting to five major services, including hearing health care services, volunteering services, children's reading, short-term breaks for caregivers, and friendly workplaces. Up to now, the Foundation has donated over NT\$120 million, mobilized over 5,500 manpower, funded almost 400 hearing aid subsidy cases, over NT\$11 million donation, offered hearing health care to almost 30,000 seniors, provided free hearing aids bank service to over 2,500 hearing-impaired people, developed the "Hearing Care Cloud Knowledge" website and the "PSA Charity Foundation Hearing Screening Method" to promote awareness of hearing health care, and relieved for more than 1,250 caregivers through stress-relief courses. It is the foundation that conducts the most hearing care in community care centers in Taiwan. Furthermore, there are 5,846 classes, 94,966 elementary and junior high school students in Pingtung and Taoyuan have benefited from taking part in sponsored courses for

reading Mandarin newspaper. We hope that through continuous adherence to the promotion of ESG concept, more people will feel its importance and raise awareness.

In terms of corporate governance and shareholder value, we believe that good financial performance, healthy cash flow, sustained growth of operating income and profitability are important keys to a company's sustainable operation. The quality of financial performance even affects the value of the company's investment. Therefore, PSA puts forward a clear quantitative financial performance target, enhances shareholders and investors' confidence in the long-term investment value of the group, creates greater economic value through stable operations, giving back to shareholders, investors, employees, and business partners.

As a role in the supply chain, we will continuously make ESG as PSA's DNA, hope this spirit could be put into practice in more aspects, and create a sustainable future with all stakeholders.



PSA 華科事業群
PASSIVE SYSTEM ALLIANCE

Anthony Chiao

PSA Chairman

President Message

Walton has cultivated deep expertise in the field of semiconductor packaging and testing for many years, striving to drive global technological innovation and industrial advancement. In the face of challenges such as climate change, resource limitations, and growing social responsibility, the role of corporations has evolved beyond traditional economic value creation. Today, companies must take a proactive leadership role on the path to sustainable development by embedding Environmental, Social, and Governance (ESG) principles into the core of their operations—establishing a solid foundation for long-term sustainability. As a member of the semiconductor industry, Walton operates in a highly competitive and technology-intensive sector, confronting pressures related to supply chain resilience, geopolitical risks, and carbon regulations. At the same time, we bear the dual mission of digital transformation and green transition. In response to global expectations for environmental sustainability and responsible manufacturing, Walton strengthens cross-functional collaboration, drives innovation, and enhances sustainable governance to ensure steady growth in an ever-changing global landscape.

On the economic front, Walton adheres to the principles of integrity and transparency, continuously reinforcing operational resilience and risk management. We enhance the functionality of the Board of Directors and organizational agility to navigate geopolitical and market uncertainties while steadily improving economic performance. At the same time, we deepen trust-based partnerships and implement robust supplier management mechanisms to foster shared prosperity across the value chain and realize responsible value creation.

In addressing environmental issues, Walton recognizes the critical role corporations play in combating climate change and has taken concrete actions accordingly. We have completed comprehensive inventories of greenhouse gas (GHG) emissions across Scope 1, Scope 2, and Scope 3, gaining full insight into our carbon footprint. Based on the results, we have formulated short-, medium-, and long-term carbon reduction targets to move toward low-carbon operations. We also optimize manufacturing processes, replace energy-intensive equipment, and implement energy-saving projects to improve energy efficiency, while assessing the feasibility of renewable energy adoption. Additionally, we strengthen waste management by following the principles of "reduction, classification, and reuse," increase the recycling rate, and ensure proper and

compliant disposal of industrial waste. In terms of water resources, we continuously improve water use efficiency and implement water-saving measures, while ensuring that discharged effluents comply with environmental regulations to protect ecological balance.

With a people-centric approach, Walton is committed to building a safe, healthy, and development-oriented workplace. Through sound labor-management relations, comprehensive training programs, and career development support, we help employees grow continuously. We also prioritize occupational health and safety by strengthening risk prevention and fostering a strong safety culture. Furthermore, we advocate for diversity, inclusion, and equal opportunities, respect individual differences, uphold human rights, and cultivate a workplace culture of inclusion and respect.

Sustainable transformation is not just a trend—it is a necessary course for every future-ready enterprise. Walton will continue to listen to its stakeholders, uphold transparency, integrity, and innovation, and strengthen its ESG practices. Together with our upstream and downstream partners and the broader society, we aim to build a semiconductor value chain rooted in resilience, responsibility, and sustainability.



PSA 華東科技股份有限公司
WALTON ADVANCED ENGINEERING INC.

John Yu
President

About this Report

Walton Advanced Engineering, Inc. (hereinafter referred to as Walton) publishes this Sustainability Report (hereinafter referred to as the Report) in pursuit of long-term sustainable development and enhanced information transparency. Through the publication of this Report, we aim to communicate with stakeholders about Walton's ongoing efforts and achievements under the goals of sustainable management. These efforts include the establishment of integrity-based governance, the implementation of environmental protection and occupational safety measures, the enhancement of corporate competitiveness, and the improvement of employee compensation and benefits. Walton sincerely hopes that our stakeholders will continue to follow our progress and provide valuable feedback, enabling the company to advance steadily on the path of fulfilling corporate social responsibility and achieving sustainable development.

Report Compilation Principles

Reporting Principles

- Accuracy
- Balance
- Clarity
- Comparability
- Completeness
- Sustainability Context
- Timeliness
- Reliability



Sustainability Report

Walton prepares its Sustainability Report in accordance with the requirements of the GRI Standards, following the eight principles for defining report content and quality, including Stakeholder Inclusiveness: six key stakeholder groups have been initially identified. According to,

1. Accuracy : The information disclosed in this Report is sufficiently accurate and detailed to enable stakeholders to assess Walton's ESG performance.
2. Balance : The information reflects both positive and negative aspects of performance, allowing stakeholders to make a well-informed and objective assessment of Walton's overall sustainability performance.
3. Clarity : Walton presents information in a manner that is clear, understandable, and easily accessible to stakeholders who use this report.
4. Comparability : Walton collects and discloses information based on internationally recognized standards, and presents it in a way that enables stakeholders to compare the company's long-term performance over time.
5. Completeness : This Report covers the material topics and their internal and external boundaries, sufficiently reflecting Walton's significant economic, environmental, and social impacts.
6. Sustainability Context : The Report discloses how Walton responds to economic, environmental, and social trends within its operational and surrounding areas, and the actions it takes to mitigate or reduce those impacts.
7. Timeliness : Walton provides timely disclosure of key operational information, allowing stakeholders to remain informed of the company's status and enhancing information transparency.
8. Reliability : The information disclosed by Walton is collected, compiled, and reported in a manner that supports verification, ensuring the quality and materiality of the information.

Reporting Period and Scope

The information disclosed in this Report covers the calendar year 2024. To ensure completeness, certain content that involves operational activities from other periods is also included and clearly specified within the relevant sections of the Report.

The reporting scope primarily focuses on Walton's operational sites in Taiwan, with financial data based mainly on the Kaohsiung facility, presented in New Taiwan Dollars (NTD). All statistical data are compiled based on internationally recognized standards and indicators. Environmental, employee, and other non-financial data are collected and compiled by the respective responsible departments and have been verified by departmental supervisors.

Reporting Framework and Verification

The structure of this Report is prepared in accordance with the GRI Standards 2021, issued by the Global Reporting Initiative (GRI). It also complies with the requirements set forth in the “Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE/TPEX Listed Companies”. A GRI Content Index is provided in the appendix of this Report for stakeholders’ reference.

Certification of Operational Sites in Taiwan

Quality Management : ISO 9001, IATF16949, QC080000, ANSI/ESD S20.20:2021-SGS
 Environmental Management : ISO14001-TUV
 Energy Management : ISO50001
 Occupational Health and Safety Management : ISO45001-TUV
 Information Security Management : ISO 27001-TUV
 Responsible Business Alliance (RBA) : RBA-LRQA

Restatements of information

Restatement of Information from Previous Reports (2022 and 2023 Editions)

Due to changes in measurement methods or definitions used, certain information in the previous reports has been restated. The reasons and details for the modifications are as follows:

- Economic material topics for 2024: Market image is no longer included; procurement practices are integrated into supplier management, and supplier environmental and social assessments are added.
- Environmental material topics for 2024: Raw materials are no longer included; wastewater and waste are reclassified as waste management, and water is expanded to water and effluent.
- Social (people) material topics for 2024: Added employee diversity and equal opportunity; freedom of association and collective bargaining, prohibition of child labor, anti-corruption, regulatory compliance, product responsibility, and local communities are included as material topics (human rights management).
- Short-, medium-, and long-term goals for material topics are set and detailed in each relevant chapter.

Reporting Frequency

To enhance the transparency and accessibility of information disclosure, the full electronic version of this Sustainability Report is available for download on Walton’ s official website.

- Walton’ s official website: www.walton.com.tw
- Reporting Period: January 1, 2024 to December 31, 2024.
- Reporting Frequency: Annually.
- Date of Publication: August 2025.
- Next Scheduled Publication: August 2026.
- External Assurance: This Report has not been externally assured.

Feedback and Contact Information

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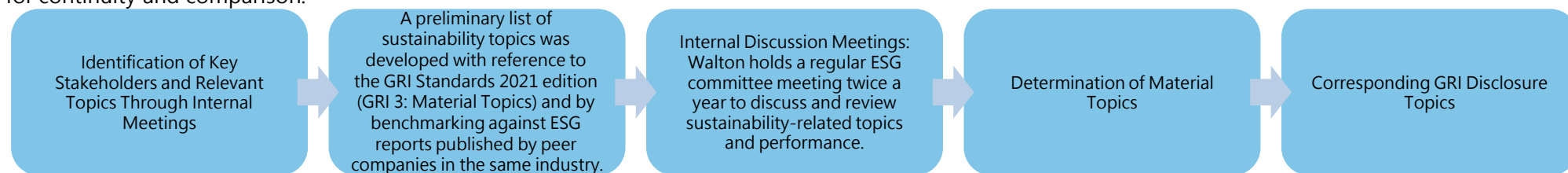
Stakeholder Engagement

Stakeholder Engagement and Materiality Assessment Process

To determine the material topics for 2024, Walton began by referring to the GRI Standards and compiled a comprehensive list of potential material topics that reflect the company's economic, environmental, and social impacts, or that may influence stakeholder decision-making.

An internal review and discussion were conducted based on this list, taking into account both internal and external perspectives. From this pool of potential topics, Walton selected those considered most significant to its operations and stakeholders.

The importance of each topic was assessed based on the company's past operational priorities and sustainability focus areas. As a result, a total of 11 material topics were identified for 2024. These topics were primarily based on the material topics established in the 2023 Sustainability Report, serving as a key reference for continuity and comparison.



Material Topic Identification Process

Identification of Key Stakeholders

Identification of Key Stakeholders

6 items



Identification of Material Topics

11 items



Material Topics

11 items

Stakeholders are engaged through routine business interactions.

Through internal meetings and benchmarking against industry peers.

6 items stakeholder groups were identified.

Stakeholders are defined as groups or individuals who affect or are affected by the company. Each department conducted an initial screening based on stakeholders engaged through routine operations. Taking into account the frequency of interaction, level of influence, and overall importance to the company, internal discussions were held and industry practices were referenced.

As a result, six key stakeholder groups were identified:

1. Government Authorities
2. General Shareholders
3. Suppliers
4. Contractors
5. Corporate Customers
6. Employees



Stakeholder Communication

Due to the differences in business functions across departments, Walton's key stakeholder groups have varying concerns and expectations regarding the company. To address this, Walton maintains ongoing engagement with key stakeholders through diverse communication channels, ensuring that stakeholders are kept informed of the company's operational status in a timely manner. At the same time, the company can gather and respond to stakeholder needs and expectations promptly. Each department collects stakeholder concerns raised through routine business interactions and consolidates them as preliminary inputs. In addition, by referencing the GRI Standards 2021 and the ESG disclosures of industry peers, Walton has identified 11 sustainability (material) topics, covering economic, environmental, and social (people-related) aspects. This process ensures that the company's material topics meet the completeness and inclusiveness criteria required by the GRI Standards.

		Topic of concern	Communication method/frequency	2024 outcome of communication	Responsible Department / Contact Information
 Government	Regulatory Compliance Practices and Supervision by Government Authorities	• Corporate Governance • Emissions • Occupational Health and Safety • Labor-Management Relations • Human Rights Assessment	◆ Regulatory Policy and Legal Compliance Briefings by Competent Authorities : irregular ◆ Market Observation Post System (MOPS) : irregular ◆ official website : irregular ◆ Tel/E-MAIL : irregular ◆ Official Document : irregular	◆ Regulatory Policy and Legal Compliance Briefings by Competent Authorities : 6 sessions ◆ Official Document : 435	◆ Labor _ Administration Department Vickylu@walton.com.tw ◆ Environmental, Health and Safety Department CY Chang@walton.com.tw ◆ Stock Affairs waltonir@walton.com.tw
 Shareholders	Shareholder rights should be protected, and all shareholders treated fairly, ensuring they have sufficient information, participation, and decision-making rights regarding major company matters.	• Corporate Governance • Economic Performance	◆ Convene a shareholders' meeting : once a year ◆ Publish financial reports : once a year ◆ Hold an institutional investor conference: once a year ◆ Market Observation Post System (MOPS): irregular ◆ Shareholder Services Joint Office: irregular	◆ Convene a shareholders' meeting : 1 ◆ Publish financial reports : 1 ◆ Hold an institutional investor conference:2	◆ Accounting and Finance Department_Mrs. Kang waltonir@walton.com.tw ◆ Shareholder Services Joint Office Tel : 02-2790-5885
 Suppliers	Maintain long-term partnerships to ensure stable material supply and jointly prevent environmental and labor rights violations.	• Corporate Governance • Supplier Management • Information Security Management System • Emissions • Occupational Health and Safety • Human Rights Assessment	◆ Supplier Platform : irregular ◆ On-site audits conducted in accordance with the annual audit plan. ◆ Questionnaires conducted in accordance with the annual audit plan. ◆ Quality meetings for SBT, LF, and outsourced electroplating are held quarterly, while others are convened as needed. ◆ Tel/E-MAIL : irregular	◆ On-site supplier audits:7 suppliers ◆ Questionnaire:21suppliers ◆ Quality Meeting ◆ Supplier Conference: once ◆ Number of Participating Suppliers: 21 ◆ Number of Participants: 54	◆ Quality Assurance Department Kelvin Hung@walton.com.tw ◆ Procurement Department MayHuang@walton.com.tw
 Contractors	Plays a key role in engineering construction and equipment maintenance. Through stable collaboration, integrity in contracts, and safety management, works together with contractors to maintain operational quality and workplace safety.	• Corporate Governance • Supplier Management • Information Security Management System • Emissions • Human Rights Assessment	◆ Coordination Meeting : every month ◆ Tel/E-MAIL : irregular	◆ Coordination Meeting:12	◆ Environmental, Health and Safety Department CY Chang@walton.com.tw



Regard product quality, safety, and after-sales service as the highest commitment to customers. Maintaining high customer satisfaction helps secure continued customer trust and recognition.



Employees are the indispensable foundation of the company's operations. The company is committed to providing a workplace that supports both physical and mental well-being as well as diverse development opportunities, allowing employees to work without concerns.

Topic of concern	Communication method/frequency	2024 outcome of communication	Responsible Department / Contact Information
• Corporate Governance • Economic Performance • Information Security Management System • Human Rights Assessment	◆ Customer Visit ◆ Regular Meeting ◆ Customer Audit ◆ Customer Satisfaction Survey ◆ Surveys and Improvements Conducted in Alignment with Customers' Industry Environmental and Social Responsibility Requirements.	◆ Regular Meeting: Weekly Meeting: 156 Monthly Meeting: 12 Quarterly Meeting: 4 ◆ Customer Satisfaction Survey :1	◆ Sales and Marketing Department marketing@walton.com.tw
• Emissions • Energy • Waste Management • Water and Effluents • Labor-Management Relations • Training and Education • Occupational Health and Safety • Diversity and Equal Opportunity • Human Rights Assessment	◆ Notice Board/Electronic Bulletin ◆ Meeting: Labor-Management Meeting Communication Meeting Employee Forum ◆ Communication Channels Tel:07-811-1330#1999 E-MAIL:EICC1999@walton.com.tw - Each facility is equipped with a General Manager's mailbox. ◆ Questionnaire: Post-Training Satisfaction Survey Event Satisfaction Survey Employee Satisfaction Survey	◆ Labor-Management Meeting:2 ◆ Communication Meeting:1 ◆ Employee Forum:4 ◆ Grievance Cases:22 ◆ Employee Satisfaction Survey:1	◆ Administration Department EICC1999@walton.com.tw

Identification of Material Topics

Materiality Assessment Process



Walton conducted internal meetings and, based on the consolidation of material topics identified in the 2023 sustainability report, ultimately selected six stakeholder groups for the survey: government agencies, general shareholders, suppliers, contractors, corporate clients, and employees. The company assessed the level of concern these stakeholders had for various sustainability topics. Based on the results, the scope of material topics was adjusted, and a total of 11 material topics for disclosure in 2024 were finalized. These are, in order: economic performance, supplier management, emissions, energy, waste management, water and effluents, labor-management relations, training and education, occupational health and safety, and diversity and equal opportunity. Based on these 11 material topics, Walton outlined three main ESG pillars for the year: maintaining product competitiveness and generating greater profits; sharing profits with employees through timely incentives, strengthening professional training, and ensuring a safe workplace; and implementing sound environmental controls to minimize environmental impacts. Additionally, to enhance the completeness of this report, Walton has included disclosures on its community engagement and public welfare initiatives.



Economic

Economic Performance
Supplier Management



Sustainable Environment

Emissions
Energy
Waste Management
Water and Effluents



Social Care (People)

Labor-Management Relations
Training and Education
Occupational Health and Safety
Diversity and Equal Opportunity
Human Rights Assessment

The assessment of material topics is described as follows:

Material Topics (Impact Perspective) Analysis Process

ESG	Material Topics (Impact Perspective)	Impact Perspective Description (Positive/Negative, Actual/Potential Analysis)	Impact Perspective Results Analysis
Economic	Economic Performance	The essential prerequisites for sustainable operations are assessed in terms of the company' s operations, which constitute the economic foundation and governance basis for its survival and development. The overall assessment revealed no associated positive or negative impacts. Note: No related negative incidents occurred.	Positive / Actual
	Supplier Management	For the supplier management topic, this includes assessing suppliers' performance and practices in the provision of raw materials. Note: No related negative incidents occurred.	Positive / Actual
Sustainable Environment	Emissions	In addressing climate change and environmental protection, the company continues to carry out carbon emission and greenhouse gas inventories, along with the implementation of reduction initiatives. Note: No related negative incidents occurred.	Positive / Actual
	Energy	The company evaluates the requirements of relevant government laws and regulations. Note: No related negative incidents occurred.	Positive / Actual
	Waste Management	Currently, the essential measures and management practices for maintaining environmental health and social image have not resulted in any relevant negative circumstances. Note: No related negative incidents occurred.	Positive / Actual
	Water and Effluents	Currently, there are no relevant negative circumstances regarding issues such as factory water usage, wastewater recycling, and water resource utilization. Note: No related negative incidents occurred.	Positive / Actual
Social Care (People)	Labor-Management Relations	The company actively fosters ongoing interaction and communication between labor and management through regular labor-management meetings and the resolution of related matters. Note: In 2024, there were related penalty incidents. Upon assessment, their severity was determined not to impact the company' s operations or related execution aspects. Therefore, this matter is temporarily listed as a material topic and will continue to be monitored.	Positive / Actual
	Training and Education	An important means of improving employee quality and promoting corporate innovation and development, with no relevant negative circumstances identified overall. Note: No related negative incidents occurred.	Positive / Actual
	Occupational Health and Safety	The company currently conducts assessments on matters related to occupational health and safety. Note: In 2024, there were related penalty incidents. Upon assessment, their severity was determined not to impact the company' s operations or related execution aspects. Therefore, this matter is temporarily listed as a material topic and will continue to be monitored.	Positive / Actual
	Diversity and Equal Opportunity	With respect to employee compensation and benefits systems, no relevant negative circumstances have been identified overall. Note: No related negative incidents occurred.	Positive / Actual
	Human Rights Assessment	With respect to human rights management-related issues, and on matters relating to human rights management. Note: In 2024, there were related penalty incidents. Upon assessment, their severity was determined not to impact the company' s operations or related execution aspects. Therefore, this matter is temporarily listed as a material topic and will continue to be monitored.	Positive / Actual

Note: The assessment methods for actual, potential, positive, and negative impacts are as follows:

1. Actual (facts that have already occurred)

2. Potential (may occur in the future)

3. Positive Impact (e.g., exceeding regulatory requirements, receiving awards and recognition, business growth, corporate reputation)

4. Negative Impact (e.g., violations of laws and regulations, negative media coverage, operational losses, and disruptions to operations)

Explanation of Major Topic Assessment:

Process of Analyzing Major Topics (Impact Perspective)

Aspect / Order	2023 Material Topics	2024 Material Topics	Comparison
Economic	1 Economic Performance	Economic Performance	Please refer to Note 1.
	2 Supplier Management	Supplier Management	
	3 Marketing and Labeling	-	
Sustainable Environment	4 Materials	-	
	5 Emissions	Emissions	
	6 Energy	Energy	
	7 Waste Management	Waste Management	
	8 Water and Effluents	Water and Effluents	
Social Care (People)	9 Labor-Management Relations	Labor-Management Relations	
	10 Training and Education	Training and Education	
	11 Occupational Health and Safety	Occupational Health and Safety	
	12 -	Diversity and Equal Opportunity	
	13 Freedom of Association and Collective Bargaining	-	
	14 Child Labor	Human Rights Assessment(Child Labor)	
	15 Anti-corruption	Human Rights Assessment(Anti-corruption)	
	16 Socioeconomic Compliance	-	
	17 Customer Health and Safety	-	
	18 Local Communities	-	
	19 -	Human Rights Assessment(Forced or Compulsory Labor)	
	20 -	Human Rights Assessment(Non-discrimination)	

Note 1: The major topics for this year differ from those of the previous year, with the main changes as follows:

1. In 2024, there are 11 major topics, compared to 17 major topics in 2023.
2. For the economic dimension in 2024, Market Image is excluded, Procurement Practices is merged into Supplier Management, and Supplier Environmental and Social Assessment is added.
3. For the environmental dimension in 2024, Raw Materials is excluded, Wastewater and Waste is redefined as Waste Management, and Water is redefined as Water and Effluent.
4. For the social (people) dimension in 2024, Employee Diversity and Equal Opportunity is newly added, and Freedom of Association and Collective Bargaining, Child Labor, Anti-corruption, Compliance, Product Responsibility, and Local Communities are included as major topics under Human Rights Management.

Determining Material Topics and Boundaries

Aspect	Material Topics	Materiality to Walton	Internal Boundary	External Boundary						Corresponding GRI Standards: General Disclosures / Topic-specific Disclosures	Sections of Report Disclosure
			Walton	Government	Shareholders	Supplier	Contractors	Employees	Customers		
Economic	Economic Performance	Sources of Economic Survival and Development for the Company.	●	●	●	●	●	●	●	GRI 201 : Economic Performance 2016	1.3 Economic Performance
	Supplier Management	Key Sources of Raw Materials and Contractors for the Company.	●	●	●	●				GRI 204 : Procurement Practices 2016 / GRI 308 : Supplier Environmental Assessment / GRI 414 : Supplier Social Assessment 2016	1.4 Supplier Management
Sustainable Environment	Emissions	Social Responsibility for Addressing Climate Change and Environmental Protection.	●	●		●				GRI 305 : Emissions 2016	2.1 Emissions
	Energy	Addressing Issues Related to Factory Energy and Resource Management.	●	●		●				GRI 302 : Energy 2016	2.2 Energy
	Waste Management	Key Measures and Management for Maintaining Environmental Health and Corporate Image.	●	●		●				GRI 306 : Waste Management 2020	2.3 Waste Management
	Water and Effluents	Factory Water Usage and Water Resource Reuse-Related Issues.	●	●		●			●	GRI 303 : Water and Effluents 2018	2.4 Water and Effluents
Social Care (People)	Labor-Management Relations	An Important Foundation for Collaborating with Employees to Promote Corporate Development and Employee Well-being.	●	●		●		●		GRI 401 : Labor-Management Relations 2016	3.1 Labor-Management Relations
	Training and Education	An Important Means to Enhance Employee Quality and Promote Corporate Innovation and Development.	●					●	●	GRI 404 : Training and Education 2016	3.2 Training and Education
	Occupational Health and Safety	A Fundamental Requirement to Safeguard Employees' Physical and Mental Health, Improve Work Efficiency, and Reduce Risks.	●	●		●	●	●	●	GRI 403 : Occupational Health and Safety 2018	3.3 Occupational Health and Safety
	Diversity and Equal Opportunity	Issues Related to Employee Compensation and Benefits.	●	●	●			●	●	GRI 405 : Diversity and Equal Opportunity 2016	3.4 Diversity and Equal Opportunity
	Human Rights Assessment	Upholding the values of 'Respect for Human Rights, Promotion of Equality, and Embrace of Diversity,' committed to creating a safe, respectful, and non-discriminatory work environment.	●	●	●	●	●	●	●	GRI 408 : Child Labor 2016 / GRI 205 : Anti-corruption 2016 / GRI 409 : Forced or Compulsory Labor 2016 / GRI 406 : Non-discrimination 2016	3.5 Human Rights Assessment

Integrity Governance 01

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Management System

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1.7 Internal Audit

Board Members' Continuing Education Rate

100%

Major violations or corruption incidents.

0

Violations of laws in the social and economic domains.

0

Key supplier evaluation completion rate.

100%

Key supplier code of conduct signing rate.

100%



1.1 About Walton

1.1.1 Organizational Profile

In April 1995, Walsin Lihwa Corporation established Walsin Advanced Electronics Co., Ltd. in the Kaohsiung Export Processing Zone (now renamed the Kaohsiung Science and Technology Industrial Park). Following the merger with Chung Da Semiconductor and its subsidiary Walsin Advanced Electronics in 2002, the company was officially renamed Walton Advanced Engineering, Inc. Walton's headquarters is located in the Kaohsiung Science and Technology Industrial Park, where it operates three manufacturing plants that support each other. With memory IC components as its core business, Walton provides leading global memory semiconductor companies with one-stop professional foundry services, ranging from IC packaging and finished product testing to direct shipment.

Name	Walton Advanced Engineering, Inc.		
Location	No. 18, N. 1st Rd., Cianjhen Dist., Kaohsiung City 806011, Taiwan (R.O.C.)		
Shareholding Structure Ratio	Domestic Corporation	Domestic Individual	Shareholding by Foreign Corporations and Foreign Individuals
	48.63%	48.49%	2.88%
Capital Stock	5,177,399(Unit: NT\$ in thousands)		
Establishment Date	1995/04/06		
Major Products and Technologies	IC Packaging and Testing		
Chairman	Anthony Chiao		
President	John Yu		
Location	Taiwan (Kaohsiung)		

Note 1: As of April 13, 2025, this marks the commencement date of the share transfer suspension period for Walton's 2025 Annual General Meeting of Shareholders.



Corporate Culture C-TOPS

C

Customer Trust

T

Teamwork

O

Oasis & Open
Environment

P

Professionalism

S

Shared Vision

1.1.2 Organizational Activities and Value Chain

Item	Content		
Industry Category	Semiconductor Industry		
Major Products/Services	Packaging and Testing		
Production Volume (Unit: Tons, Pieces)	Packaging	Testing	Total
	526,669	850,653	1,377,322
Annual Revenue (Unit: NT\$ in Thousands)	Packaging	Testing	Total
	2,374,648	2,634,718	5,009,366

Walton, within the entire semiconductor industry value chain, is positioned downstream after IC design, photomask design, and wafer fabrication (foundry). Its service scope covers IC packaging, final product testing, and module manufacturing, belonging to the downstream segment of the industry value chain (as illustrated in the dashed box in the figure below).

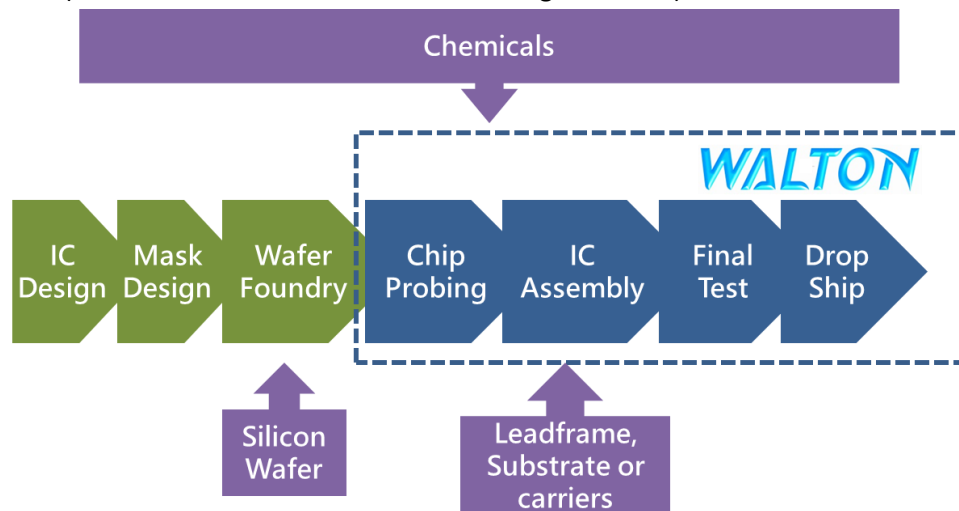


Figure 2 The Supply Chain in Semiconductor Industry

Source : Summarized by Walton Marketing Division

The owners of wafers, including integrated device manufacturers (IDMs) and IC design companies, entrust Walton with wafer probing, packaging, and final product testing, or the production of end products (such as memory modules or memory cards), before returning them to customers. Therefore, for Walton, customers' wafer output and the number of dies per wafer are critical indicators of IC packaging and testing business volume.

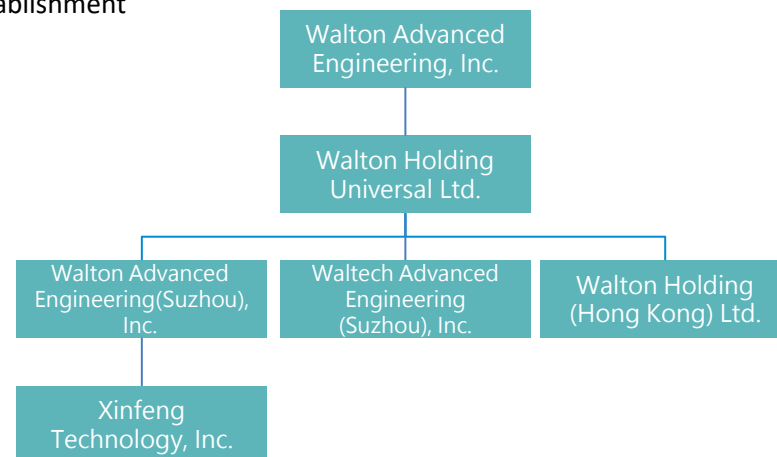
Walton plays a bridging role in the semiconductor value chain, linking upstream wafer fabrication with downstream end applications. Leveraging its expertise in memory packaging and testing, Walton connects upstream design and manufacturing with downstream application markets, providing essential technical support for the transformation of memory products from wafers to end-use applications.

Looking ahead, as system-in-package (SiP) technologies continue to innovate and gain broader adoption, IC packaging and testing will play an increasingly vital role within the semiconductor industry. Walton will continue to deepen its investment in research and development, strengthen its competitive edge, and contribute to the advancement of the global semiconductor industry.

1.1.3 Walton Affiliated Companies

Walton Advanced Engineering(Suzhou), Inc.is a wholly-owned subsidiary of Walton. In addition, Walton holds equity interests in four affiliated companies: Walton Holding Universal Ltd., Walton Holding (Hong Kong) Ltd., Xinfeng Technology, Inc., Ltd., and Waltech Advanced Engineering (Suzhou), Inc. Their respective establishment dates, industry categories, and principal business activities are summarized in the table below.

Company	Established Date	Industry	Business item
Walton Holding Universal Ltd.	2003.11	Investment	Professional Investment
Walton Advanced Engineering(Suzhou), Inc.	2003.12	Electronic Manufacturing	Production and Sales of semiconductor assembly and testing
Walton Holding (Hong Kong) Ltd.	2011.12	Investment	Professional Investment
Xinfeng Technology, Inc.	2019.11	Electronic Manufacturing	IC equipment trading and manufacturing
Waltech Advanced Engineering (Suzhou), Inc.	2020.11	Electronic Manufacturing	IC designing and trading



1.1.4 Membership in External Organizations

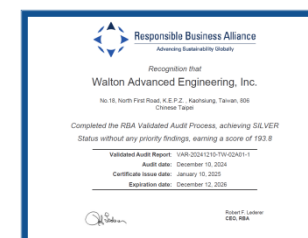
Name of External Association	Participation Role	Committees Participated / Projects Promoted
Taiwan Export Processing Zone Electrical and Electronic Manufactures Association	Member	Director
Kaohsiung Personnel Representative Association	Member	-
Taiwan Electrical and Electronic Manufacturers' Association	Member	-
Kaohsiung Chamber of Industry	Member	-
Republic of China Processing Export Industry Labor Relations Association	Member	-
Semiconductor Equipment and Materials International (SEMI)	Member	-
Taiwan Semiconductor Industry Association (TSIA)	Member	-
Advanced Microsystems and Package Alliance (AMPA)	Member	-

1.1.5 Honors and Recognitions Over the Years

Year	Awards/Certifications	Year	Awards/Certifications
2000	♦ Passed the ISO 14001 Certification	2013	♦ 「Award of public-spirited & contribution」 ♦ 「Award of excellent labor-management relations」
2003	♦ Passed the ISO 9001:2000 Certification ♦ 「Award of excellent labor-management relations」 ♦ 「Award of manpower training」	2014	♦ 「Award of public-spirited & contribution」 ♦ 「Award of excellent labor-management relations」 ♦ 「First prize of cooperative education assessment」
2004	♦ Passed the TS 16969 Certification ♦ 「Award of trade & business in K.E.P.Z」	2015	♦ 「Award of public-spirited & contribution」 ♦ 「Award of excellent labor-management relations」 ♦ 「First prize of cooperative education assessment」 ♦ Passed the ISO27001 ISMS Certification
2005	♦ Passed the OHSAS 18001 Certification ♦ 「Award of trade & business in K.E.P.Z」 ♦ 「Award of excellent labor-management relations」 ♦ 「Award of manpower training」	2017	♦ 「Award of public-spirited & contribution」 ♦ 「Award of excellent labor-management relations」 ♦ Passed the ISO19649 Certification
2006	♦ Passed the SONY Green Partner Certification ♦ Received the first place of 「Award of golden model」 from the E.P.Z. Administration ♦ Received the 3rd place of 「Building Renovation & Maintenance Award」	2018	♦ 「Award of public-spirited & contribution」 ♦ 「Award of excellent labor-management relations」 ♦ 「First prize of cooperative education assessment」
2007	♦ 「Award of excellent labor-management relations」 ♦ 「Award of manpower training」	2019	♦ 「First prize of cooperative education assessment」 ♦ Received the 「Award of Metabolic Syndrome five key point measurement promote」 ♦ Passed the ISO45001 Certification
2008	♦ 「Award of manpower training」 ♦ Received the 「Award of the most friendly working place」 from Council of Labor Affairs ♦ Received 6th place of 「2008 Excellence in Corporate Social Responsibility」 ♦ Received the certification of excellent exporters/importers ♦ Passed the QC080000 IECQ HSPM Certification	2020	♦ 「Award of excellent labor-management relations」 ♦ 「Award of manpower training」
2009	♦ 「Award of excellent labor-management relations」 ♦ 「Award of manpower training」	2021	♦ 「Award of excellent labor-management relations」 ♦ 「Award of manpower training」
2010	♦ 「Award of manpower training」 ♦ 「Award of public-spirited & contribution」 ♦ Passed the Canon Green Activity Certification	2022	♦ 「Award of excellent labor-management relations」 ♦ 「Award of manpower training」
2011	♦ 「Award of manpower training」 ♦ 「Award of public-spirited & contribution」 ♦ Received 7th place of 「2011 Excellence in Corporate Social Responsibility」	2023	♦ 「Award of excellent labor-management relations」
2012	♦ 「Award of excellent labor-management relations」 ♦ 「Award of manpower training」 ♦ 「Award of public-spirited & contribution」 ♦ Received Common Wealth Magazine 「Top 500 Enterprises」		



1111 Job Bank
•2024 Happy Enterprise Silver Award



Responsible Business Alliance (RBA)
•VAP Silver Recognition



Taiwan Continuous Improvement Association
•Golden Tower Award:1
•Bronze Tower Award:2



Industrial Development Administration, Ministry of Economic Affairs
•Passed the Clean Production Evaluation System



Kaohsiung Technology Industrial Park, under the Industrial Park Administration, MOEA
•Award of public-spirited & contribution

1.2 Corporate Governance

Business Philosophy and Objectives

Business Mission

To become a leading one-stop service provider in semiconductor memory backend processes, delivering the best service to world-class customers while creating maximum value for shareholders.

Corporate Spirit

Lean, mean, agile and responsive
Toward a common goal

Short-term Goals

- Product Aspect
Consolidate DDR4 and LPDDR4 packaging and testing projects, while actively expanding the DDR5 business.
- Service Aspect
Strengthen integrated packaging and testing services
- Cost Aspect
Continuously improve processes, materials, and yield rates to ensure cost competitiveness.

Mid- to Long-term Goals

- Deepen technological expertise
- Continuously enhance process capabilities and quality
- Strengthen service value / Enhance the value of services
- Promote carbon reduction initiatives and renewable energy adoption.

Walton was established in 1994, with a current capital of NT\$5,177,399 thousand. For details of major milestones over the years, please refer to the Company' s official website.

1995

- Established "Walsin Advanced Electronic, Inc." , and began production at assembly site.
- Began production, and public offering.
- Began production at testing site.
- Winbond, Toshiba, and Mitsui have joint venture to establish professional DRAM assembly & testing company – Walton Advanced Electronic Co. Ltd.
- Established subsidiary company – "Walton Advanced Electronic Co. Ltd."
- "Linktech Semiconductor Co. Ltd." merged into Walton.
- Waljin Building came into operation.
- Invest a subsidiary company in Japan.
- Changed name to "Walton Advanced Engineering, Inc."

2005

- Invested "Chaintech Computer Co., Ltd."
- Being listed on the GreTai Securities Market (GTSM).
- Started the service of traditional memory assembly and testing in China.
- Being listed on the Taiwan Stock Exchange Corporation (TWSE).
- Bought a new building(B15) in K.E.P.Z., and began production at B15.
- Mobile device and memory product mass production, and LPDDR3 began mass production.
- Bought a new building(A15) in K.E.P.Z.

2015

- Walton Advanced Engineering, Inc. has been established for 20 years.
- LPDDR4 began mass production.
- Began production at A15.
- Acquisition of Waltech & Starts MP.
- DDR5 began mass production

2024

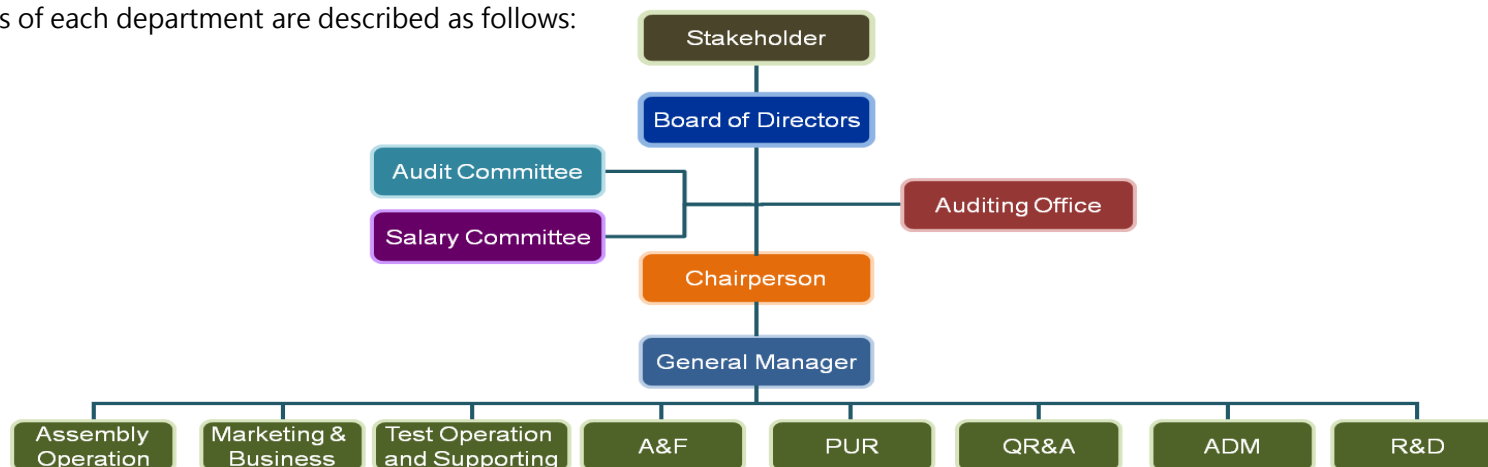
- 1111 Job Bank-2024 Happy Enterprise Silver Award
- Responsible Business Alliance (RBA)-VAP Silver Recognition
- Taiwan Continuous Improvement Association-
-Golden Tower Award:1 and Bronze Tower Award:2
- Industrial Development Administration, Ministry of Economic Affairs
-Passed the Clean Production Evaluation System
- Kaohsiung Technology Industrial Park, under the Industrial Park Administration, MOEA - Award of public-spirited & contribution

1.2 Corporate Governance

Governance Structure

The Board of Directors of Walton serves as the highest governing body of corporate governance. Under the Board, there is the Chairman and the President. In compliance with government regulations, an Audit Unit has been established under the Board as an independent entity. This unit is responsible for the Company's internal control operations and is required to regularly report the results of internal audits to the Board of Directors.

Under the President, the organizational structure includes the Administration Department, Finance and Accounting Department, Procurement Department, Packaging Operations Department, Testing and Operations Support Department, Quality Assurance Department, and Research and Development Department. The responsibilities of each department are described as follows:



Department	Job Description
Audit Office	Responsible for internal audit.
A&F	Responsible for financial and accounting related policies' formulation and implementation.
PUR	Responsible for procurement related policies' formulation and implementation.
Marketing & Business	Responsible for P.O. control market survey, customer relationship maintenance.
Assembly Operation	Responsible for production management, research and development of assembly.
Test Operation & Supporting	Responsible for Testing, ISMS, production plan, cost, and effectiveness analysis and evaluation of human.
ADM	Responsible for human resource, general affairs, and training.
QR&A	Responsible for total quality management.
R&D	Responsible for the new product development, introduction and evaluation of the material properties and product reliability.

1.2.1 Board of Directors

Walton's Board of Directors has established the "Board Election Procedures," which clearly define the nomination, qualifications, and evaluation policies and criteria for director (including independent director) candidates. The nomination of all board members follows a rigorous selection process that not only considers diversity of background, professional expertise, and experience, but also places great emphasis on candidates' ethical conduct and reputation in leadership.

Nomination and Selection of the Board of Directors and Committees

According to Article 8 of Walton's Articles of Incorporation, the Board of Directors shall consist of nine to thirteen members, of which no fewer than three shall be independent directors, and independent directors shall account for at least one-third of the board seats. At Walton, directors account for 56% and independent directors account for 44% of the board, with 22% of directors holding employee status. The Board also includes one female director. While the law requires three independent directors, Walton has appointed an additional one, totaling four independent directors, thereby exceeding the statutory requirement to enhance corporate operations and governance practices.

In accordance with Article 23 of the "Corporate Governance Best-Practice Principles," the Chairman and the President (General Manager) should not be the same person. If the Chairman and the President are the same individual, or if they are spouses or first-degree relatives, the number of independent directors should be increased, and a majority of directors should not concurrently serve as employees or managers.

Board Diversity and Independence

The Board of Directors operates in accordance with government regulations and the Company's internally established Rules of Procedure for Board Meetings. Walton's nine directors possess professional expertise across different fields. In addition to diversity among members, all directors participate in mandatory professional training each year as required. Consequently, the board members are generally equipped with the knowledge, skills, and competencies necessary to fulfill their duties, thereby achieving the Company's corporate governance objectives.

Number of Board Meetings in 2024

6times

Average Attendance Rate of Directors

94%

Title	Name	Actual Attendance Rate (%)	Concurrent Independent Directorships in Other Companies	Possesses industry and ESG-related background/experience
Chairman	Anthony Chiao	100%	0	Industry
Director	Walsin Lihwa Corporation Yu-Lon Chiao	83%	0	Industry
Director	Winbond Electronics Corporation Tung-Yi Chan	100%	0	Industry
Director	Walsin Technology Corp. Yao-Hsien Shu	100%	0	Accounting
Director	John Yu	100%	0	Industry
Independent Director	Li-Cheng Lu	83%	0	Industry
Independent Director	Hai-Yen Hao	100%	0	Industry
Independent Director	Wang-Cai Lin	83%	0	Accounting
Independent Director	Ching-Ya Chiu	100%	1	Marketing

Board Diversity Statistics / Year		2022		2023		2024	
		Number of People	percentage	Number of People	percentage	Number of People	percentage
Gender	Male	8	89%	8	89%	8	88%
	Female	1	11%	1	11%	1	11%
Age	Under 50	0	0%	0	0%	0	0%
	50~60	4	44%	1	11%	1	11%
	60 and above	5	56%	8	89%	8	89%
Education	Doctorate	2	22%	2	22%	2	22%
	Master' s Degree	5	56%	5	56%	5	56%
	Bachelor' s Degree	2	22%	2	22%	2	22%
	others	0	0%	0	0%	0	0%

Note :
 Percentage of Female Directors = (Number of Female Directors at Year-End ÷ Total Number of Directors at Year-End) × 100%
 Percentage of Male Directors = (Number of Male Directors at Year-End ÷ Total Number of Directors at Year-End) × 100%
 The percentage of female directors plus the percentage of male directors shall equal 100%.

Directors' Continuing Education

Total Continuing Education Hours of the Board

74hours

Proportion of ESG-related Courses for Directors (Note)

36%

Note :

1. (Total Hours of ESG-related Courses ÷ Total Training Hours of Directors) × 100%
2. Information on directors' training courses can be found in the Company' s website (Annual Report) <https://www.walton.com.tw>

The members of the Board of Directors, based on their educational background, professional knowledge, skills, and experience:

Title	Name	Professional knowledge, capabilities and experience							
		Business Management	Leadership Decision-Making	Industry knowledge	Industrial Technology	Information Technology	Marketing	Financial Accounting	International Perspective
Chairman	Anthony Chiao	✓	✓	✓	✓	✓	✓		✓
Director	Walsin Lihwa Corporation Yu-Lon Chiao	✓	✓	✓	✓		✓		✓
Director	Winbond Electronics Corporation Tung-Yi Chan	✓	✓	✓	✓	✓	✓		✓
Director	Walsin Technology Corp. Yao-Hsien Shu	✓	✓	✓	✓			✓	✓
Director	John Yu	✓	✓	✓	✓	✓	✓		✓
Independent Director	Li-Cheng Lu	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Hai-Yen Hao	✓	✓	✓	✓	✓			✓
Independent Director	Wang-Cai Lin	✓	✓	✓				✓	✓
Independent Director	Ching-Ya Chiu	✓	✓	✓			✓		✓

1.2.2 Board Performance Evaluation

To enhance corporate governance and improve the effectiveness of Walton' s Board of Directors, performance goals have been established to strengthen board operations. Accordingly, in compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies," Walton has formulated the Board Performance Evaluation Guidelines, applicable to the Board of Directors as a whole, each functional committee, and individual directors. The internal self-assessment of the Board and functional committees is conducted annually in December, during which the responsible unit distributes questionnaires for completion by board members.

Board Performance Evaluation			
Self-Assessment (Questionnaire)	2022	2023	2024
Board of Directors	4.87	4.88	4.92
Audit Committee	5	5	5
Compensation Committee	5	5	5

Note1 : The performance evaluation is based on a maximum score of 5, and no external experts were engaged for the assessment.

Note2 : In accordance with the Company' s "Board Performance Evaluation Guidelines," a board performance evaluation shall be conducted once every year, with all directors completing the assessment through questionnaires



1.2.3 Board-Related Matters

According to Walton' s Rules of Procedure for the Board of Directors, directors are required to exercise a high degree of self-discipline. When a proposal on the board agenda involves the personal interest of a director or the legal entity they represent, to the extent that it may be detrimental to the Company' s interests, the director shall voluntarily abstain from voting and shall not act as a proxy for other directors. Directors must also observe self-discipline and refrain from supporting one another. Any votes cast in violation of the recusal requirement shall be deemed invalid.

In accordance with Article 23 of the Corporate Governance Best-Practice Principles, it is recommended that the Chairman of the Board and the President (General Manager) not be the same person. If the Chairman and the President are the same individual, or are spouses or first-degree relatives, the Company should increase the number of independent directors, and a majority of the board members should not hold employee or managerial positions.

Implementation of Directors' Recusal from Agenda Items Involving Conflicts of Interest

Name	Content of Proposals	Reason for Recusal	Voting Results
Anthony Chiao John Yu	The Company' s "2023 Year-End Bonus Proposal for Managers"	Involving the personal interests of the director	Not involved in the voting process
Anthony Chiao Yao-Hsien Shu	The Company' s Donation to "PSA Charitable Foundation" Proposal	Involving the personal interests of the director	Not involved in the voting process
Anthony Chiao John Yu	The Company' s "2024 Q1 Talent Development Program Bonus Proposal for Managers"	Involving the personal interests of the director	Not involved in the voting process
Anthony Chiao John Yu	The Company' s "2024 Mid-Year Bonus Proposal for Managers"	Involving the personal interests of the director	Not involved in the voting process
Anthony Chiao John Yu	The Company' s "2024 Annual Salary Adjustment Proposal for Managers"	Involving the personal interests of the director	Not involved in the voting process

Information on the Chief Corporate Governance Officer

On November 6, 2020, Walton’ s Board of Directors resolved to establish the position of Chief Corporate Governance Officer (CCGO). The primary responsibilities of the CCGO include:-Handling matters related to Board of Directors and shareholders’ meetings in accordance with laws and regulations, Preparing minutes for Board and shareholders’ meetings, Assisting directors with onboarding and continuing education, Providing directors with information necessary for the performance of their duties, Supporting directors in complying with laws and regulations, and Carrying out other matters stipulated by the Company’ s Articles of Incorporation or contracts.

Walton appointed Deputy General Manager Leen Huang, who also serves as Walton’ s Chief of Finance and Accounting, as the current Chief Corporate Governance Officer to enhance corporate governance and strengthen the functions of the Board. Deputy General Manager Huang has served for more than three years in senior management positions overseeing finance and meeting administration at publicly listed companies, thereby meeting the statutory qualifications for the position of Chief Corporate Governance Officer.

Corporate Governance Evaluation
Tier in 2024

36%~50%

Recent Training Activities of the Chief Corporate Governance Officer are summarized in the table below. :

Chief Corporate Governance Officer - Leen Huang			
Date	Organizer	Course Title	Training Hours
2024/7/3	Taiwan Stock Exchange (TWSE)	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6
2024/9/11	Industrial Technology Research Institute, ITRI/TBC Bank	Net Zero Sustainability 2024: Key Action Forum	6
2024/9/20	Securities & Futures Institute, SFI	2024 Seminar on Preventing Insider Trading (113th Year)	3

Compensation Policy

The remuneration of the President (General Manager) and Vice Presidents is determined in accordance with Walton’ s “Compensation Committee Charter.” In setting compensation levels, the following factors are taken into consideration: the Company’ s business strategy, individual managerial performance and achievement of targets, contributions to corporate profitability, management capabilities, professional expertise, market competitiveness, industry benchmarks, and sustainability performance evaluation indicators (40% financial performance, 30% market and customer performance, and 30% sustainability performance). Proposals are submitted by the Compensation Committee and executed upon approval by the Board of Directors. In compliance with regulatory requirements, the compensation amounts are disclosed annually in the Company’ s annual report. The associated future risks are considered limited.

Annual Total Compensation Ratio	
Year	2024
Ratio of the Annual Total Compensation of the Highest-Paid Individual to the Median Annual Compensation of Other Employees	19.27
Ratio of the Percentage Increase in Annual Total Compensation of the Highest-Paid Individual to the Median Percentage Increase in Annual Compensation of Other Employees	0.77

Notes:

Annual total compensation refers to all compensation paid by the Company to an individual during a full year, including salary, bonuses, stock awards, option awards, non-equity incentive plan compensation, pension value and changes in non-vested deferred compensation earnings, and all other compensation.

Other employees include senior management but exclude the identified highest-paid individual.

When calculating the median of the annual total compensation of other employees for the past two years, the median does not necessarily represent the same employee in both years.

Median definition: the central tendency of all compensation values, representing the middle value of the dataset. If the dataset has an odd number of values, the median is the exact middle value after sorting; if it has an even number of values, the median is the average of the two middle values.

1.2.4 Functional Organization

Compensation Committee

In accordance with the “Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies Whose Stock is Listed on the TWSE or Traded on the TPEX,” Walton resolved at the 10th meeting of the 6th Board of Directors on December 29, 2011 to establish a Compensation Committee.

On June 14, 2022, the Company appointed Mr. Li-Cheng Lu, Mr. Hai-Yen Hao, and Mr. Yi-Min Chen as members of the 5th Compensation Committee, with their term of office running from June 14, 2022 to June 13, 2025.

The responsibilities of the Compensation Committee include:

Regularly reviewing the Committee Charter,
Establishing and periodically reviewing policies for performance evaluation and compensation of directors and managerial officers, and
Reviewing compensation levels and remuneration packages.

Convener : Hai-Yen Hao

Number of Meetings Held in 2024

3 times

Attendance of Committee Members

100%

Audit Committee

Walton’ s Audit Committee is composed entirely of independent directors. Following the re-election of the 9th Board of Directors at the shareholders’ meeting held on June 25, 2019, the Company established the Audit Committee in accordance with the law to replace supervisors, and adopted the “Audit Committee Charter” pursuant to Article 3 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

Authorities of the Audit Committee: :

1. Establishment or amendment of internal control systems pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of internal control systems.
3. Establishment or amendment of procedures for major financial or business activities, including acquisition or disposal of assets, derivative transactions, lending of funds to others, endorsements, or provision of guarantees, pursuant to Article 36-1 of the Securities and Exchange Act.
4. Matters involving the personal interests of directors.
5. Significant asset or derivative transactions.
6. Significant loans, endorsements, or guarantees.
7. Raising, issuance, or private placement of equity-type securities.
8. Appointment, dismissal, or remuneration of certified public accountants, and assessment of their independence and competency.
9. Appointment or dismissal of financial, accounting, or internal audit officers.
10. Annual financial reports signed or sealed by the Chairman, managers, and accounting officers, and the second-quarter financial reports subject to CPA review and attestation.
11. Any other material matters stipulated by the Company or by competent authorities.

Annual Work Priorities of the Audit Committee

1. Handling matters related to the Audit Committee meetings in accordance with regulations (agenda arrangement, meeting notices, and minutes).
2. Tracking and implementing improvement actions requested by the Audit Committee.
3. Providing independent directors with the necessary company information to facilitate the full exercise of their duties.
4. Establishing and revising organizational rules and related operating procedures.
5. Conducting the Audit Committee's annual self-assessment.
6. Reviewing quarterly financial reports.
7. Reviewing significant loans of funds and endorsements/guarantees.
8. Publicly disclosing and filing matters related to the Audit Committee in accordance with regulatory requirements (organizational rules, operational status).

- The term of office for the second Audit Committee is from June 14, 2022, to June 13, 2025.

Convener : Li-Cheng Lu

Number of Meetings Held in 2024

5 times

Attendance of Committee Members

90%

Communication Practices between Independent Directors, the Chief Audit Executive, and External Auditors

Walton has established an Audit Committee composed entirely of independent directors. Each year, the Company invites the external certified public accountants (CPAs) to attend at least two Audit Committee meetings. During these meetings, the CPAs report on the review or audit results of the Company's and its subsidiaries' financial statements, as well as the internal control audits. They also communicate on whether there were any material adjusting entries or regulatory amendments with significant impact. In the event of any special circumstances, immediate reports are made to the Audit Committee members. In 2024 (the 113th fiscal year), no such special circumstances occurred. Communication between Walton's Audit Committee and the external auditors was smooth and effective. The Audit Committee completed its review of the Company's consolidated financial statements and auditor's reports based on the findings of the professional CPAs. In accordance with the annual audit plan, the Internal Audit Department carried out audit procedures as scheduled. The Chief Audit Executive submitted written reports to the independent directors in the month following the completion of each audit (or follow-up) project. In the case of any special circumstances, immediate reports would also be provided to the Audit Committee members. In 2024, no such special circumstances occurred. Communication between Walton's Audit Committee and the Chief Audit Executive was also smooth and effective.

Organizational Ethics and Integrity

Walton is committed to long-term corporate management based on honesty and transparency, ensuring consistency in both internal and external information disclosure. Integrity clauses are incorporated into labor contracts and employee work rules, requiring all employees to strictly comply with related regulations. In addition, under Walton's Responsible Business Alliance (RBA) policy, the Company has established an Ethics Policy to reaffirm its commitment to ethical business conduct, integrity, and the protection of trade secrets. This policy applies not only to internal employees but is also communicated to all customers and suppliers. The implementation status of ethical business practices, stakeholder communication, and intellectual property management is regularly reported to the Board of Directors.

Walton seeks to foster a culture of integrity and trustworthiness, thereby projecting a positive and credible corporate image to society. To this end, the Company provides multiple communication and grievance channels. Employees, external suppliers, shareholders, and the general public may use these channels to express opinions or provide feedback, and dedicated personnel are assigned to handle and respond to such cases.

Whistleblowing and Suggestion Channels

Walton has established multiple grievance and whistleblowing channels, including a hotline, dedicated email, General Manager's mailbox, and QR code reporting system, along with relevant disciplinary measures. These mechanisms are periodically reviewed and updated to ensure effective and sufficient communication channels, enabling prompt and efficient resolution of issues when they arise. A formal **Grievance and Whistleblowing Procedure** has been established, which includes standard operating procedures for investigations and relevant confidentiality requirements.

All reported cases are documented and processed in strict confidentiality, with dedicated personnel assigned to handle each case, thereby safeguarding the privacy of stakeholders.

Closure Rate of Grievance Cases in 2024

100%

Grievance Procedure

Process	Content
Filing a Complaint	•May be Filed Identified or Anonymously
Acceptance and Registration	•The Administration Department is the designated unit responsible for handling grievances. •Within five working days from the date of acceptance of a grievance, an Employee Grievance Handling Form shall be completed.
Investigation and Handling	•Conduct investigations in a confidential manner. •When necessary, notify the involved parties and related stakeholders to attend and provide explanations; if required, relevant responsible units may also be invited to coordinate and develop a resolution plan. •If the investigation results indicate minor circumstances, the case may be submitted by the Administration Department to the responsible supervisor for approval. •For special or major cases, once the investigation is completed, the case shall be submitted to the TMM Senior Management Meeting for discussion and subsequently presented to the General Manager for final approval.
Closure and Follow-Up	•Provide a written reply to the complainant within five working days from the date of completion of the investigation. •For anonymous cases, the investigation results shall be published in the Company's Employee Portal under the internal RBA section.
Filing an Appeal	•An appeal shall be filed with the audit personnel within ten days upon receipt of the investigation completion notice.

Principles of Handling

•Processing Timeline: Cases shall be closed within two months from the date of acceptance. If necessary, the period may be extended by up to one additional month, provided that the complainant is notified of the extension.
•Protection Measures: During the investigation process, the privacy rights and other personal interests of the parties involved shall be protected. Any act of retaliation by supervisors or employees will result in severe disciplinary action, and the Company will provide assistance to the complainant in pursuing civil and criminal actions if necessary.

Grievances and Whistleblowing

- TEL : (07)-811-1330#1999 .QR code
- Email : EICC1999@walton.com.tw
- Hardcopy submissions may be delivered to the "General Manager's Mailbox" located at each plant site
- Address : No. 18, N. 1st Rd., Cianjhen Dist., Kaohsiung City 806011, Taiwan (R.O.C.) ADM Mr. Su

Grievances and Whistleblowing	2022	2023	2024
General Manager's Mailbox	2	2	5
QR code(Note)	-	-	15
TEL and Email	1	3	2
Postal Mail	0	1	0
Total	3	6	22
Case Category	Number of Case		
Corruption/Fraud	0	0	0
Harassment	0	0	0
Workplace Bullying	1	0	9
Discrimination	0	0	0
EHS Issues	0	0	0
Others	2	6	13
Total	3	6	22
Closure Rate	100%	100%	100%

Note:

- 1.In 2024, a new grievance channel via QR Code was introduced. A total of 15 cases were received, of which 9 cases were established and 6 cases were dismissed.
- 2.A total of 9 workplace bullying cases were received, of which 1 case was established and 8 cases were dismissed; in addition, 13 other cases were received, of which 11 cases were established and 2 cases were dismissed.
- 3.A total of 10 cases were not filed, including 6 cases of mutual accusations lacking evidence, 2 cases without verifiable facts, and 2 cases based on personal perception or requests.
- 4.In 2024, a total of 22 cases were received, all of which have been closed, resulting in a closure rate of 100%.

1.2.5 Policy Commitment

Walton adheres to the standards of the International Covenant on Civil and Political Rights (ICCPR), the Labor Standards Act, the Convention on the Rights of Persons with Disabilities (CRPD), and the International Bill of Human Rights. The Company also complies with the requirements of the Responsible Business Alliance (RBA) Code of Conduct, aligning labor protection concepts with international conventions.

Walton has established the Walton RBA Code of Conduct and the RBA Management Responsibility and Risk Management Procedure as the foundation for employee conduct, and has formulated four key RBA policies to implement its RBA promotion plan. The Company undergoes periodic RBA Validated Assessment Program (VAP) audits, and in 2024, it achieved the Silver Recognition Level.

Human Rights Policy

Walton strictly prohibits the use of forced, bonded (including debt-bonded), contract-bound, involuntary, or exploitative prison labor, as well as slavery or human trafficking. Child labor is not permitted. Working hours, rest periods, wages, and benefits comply with all applicable laws and regulations. The Company prohibits inhumane treatment and unlawful discrimination, respects religious beliefs, and provides appropriate facilities for religious activities. Walton respects employees' legally granted right to freedom of association and ensures that employees can communicate openly with management regarding working conditions and management issues without fear of retaliation, threats, or harassment.

Ethics Policy

Walton upholds the principle of integrity in business operations, strictly prohibiting all forms of bribery, corruption, extortion, and conflicts of interest. The Company is committed to information transparency, authenticity, respect for intellectual property and personal privacy, as well as protection for whistleblowers, ensuring zero tolerance for retaliation. Walton also practices fair trade and competition, conducts regular ethical risk assessments, and is dedicated to continuous improvement and legal compliance.

Environmental, Health and Safety (EHS) Policy

Resource Conservation
Regulatory Compliance
Preventive Management
Risk Management
Continuous Improvement
Full Participation

Information Security Policy

Walton is committed to providing a secure information security operating environment to safeguard the rights and interests of all stakeholders.

RBA Training Completion Rate

100%

Integrity Training Completion Rate

100%

Information Security Training
Completion Rate

100%

Occupational Safety and Health (OSH)
Training Completion Rate

100%

1.2.6 ESG Sustainability Development Committee

To advance corporate sustainability, Walton formally established the Sustainability Development Committee in 2022 as the Company's highest-level decision-making body for sustainability. Chaired by the General Manager and composed of senior executives from various departments, the Committee reviews core operational capabilities and formulates medium- and long-term sustainability strategies and action plans in response to international sustainability trends and industry developments, actively promoting the Company's ESG goals across the environmental, social, and governance dimensions.

The Committee operates through regular meetings, three functional subgroups (Economic, Environmental, and Social), and an implementation task force to coordinate planning and oversee progress on sustainability issues, resource allocation, and performance outcomes. A management review meeting is held every six months to evaluate the effectiveness of sustainability practices and identify continuous improvement measures. In addition, the implementation task force is responsible for preparing and reviewing the annual sustainability report to ensure transparency and completeness of disclosures, as well as monitoring sustainability performance to enhance efficiency. Each year, the Committee reports its implementation outcomes and future work plans to the Board of Directors.

Key discussion topics for 2024 included:

1 Identify key sustainability issues and develop corresponding action plans.

2 Revise sustainability policies and objectives, while continuously monitoring and evaluating implementation effectiveness.

The Board of Directors also receives regular sustainability reports (including ESG issues) from the management team in the fourth quarter of each year. The Board provides recommendations and adjustments to ensure that sustainability strategies remain closely aligned with the Company's overall business strategy, thereby strengthening its commitment and oversight responsibilities regarding sustainability issues.

Since the establishment of the Sustainability Development Committee, Walton has further refined its short-, medium-, and long-term objectives across the three dimensions of Environment, Social, and Governance (ESG). The Company actively advances sustainability initiatives in each area, enhancing its corporate sustainability influence while steadily progressing toward a vision of international alignment, responsible governance, and social inclusion.

2024 ESG Management Review Meeting

2次

Attendance Rate

100%

Policy

Walton is committed to sound corporate governance, advancing global trends in green production and carbon reduction, and promoting social welfare, while maintaining effective communication with stakeholders. By driving ESG initiatives, Walton strives to create shared value for the Company, the community, and stakeholders, and to move steadily toward sustainable development.



•The Sustainability Development Committee convenes regular meetings every six months.

•The Committee provides an annual report to the Board of Directors on the implementation results. 30

1.2.7 Regulatory Compliance

Walton upholds the principles of ESG-driven sustainable operations and strictly complies with all applicable laws and regulations. This includes requirements related to the prevention of insider trading, transparent information disclosure, business integrity, anti-corruption, anti-discrimination, and the prohibition of sexual harassment and other violations of business ethics. During the reporting period, any incidents of regulatory non-compliance and penalties imposed by competent authorities were fully disclosed in accordance with the principle of integrity. The Company also conducted timely reviews and corrective actions to strengthen its compliance management system and fulfill its responsibility for sustainable governance.

Unit: NT\$ in Thousands

Category	Violation Status	Loss Amount	Corrective Measures
Economic	No relevant violations recorded		
Sustainable Environment			
Social Care (People)	Failure to pay overtime wages for working days and rest days in accordance with regulations.	100	1. If drivers arrive at the company earlier than scheduled, they are required to complete a hard copy of the Non-Official Attendance Confirmation Form on the same day. 2. For drivers on duty, a new Rest Time column has been added to the driving work log, which must be completed daily.
	Failure to provide overtime pay for extended working hours in accordance with regulations, and exceeding statutory limits by requiring employees to work an additional four hours without at least a 30-minute rest period.	140	When employees arrive earlier or leave later than 30 minutes beyond regular hours, an "Abnormal Attendance Sticky Note" will appear in the employee portal, requiring employees to confirm whether the attendance was for "official duty."
	Failure to provide necessary alarm devices and essential agents or equipment for hazard elimination when handling more than 100 liters of Category C Type I or Category D substances, to promptly notify personnel in the event of a spill.	100	Leakage alarm devices have been immediately installed at all plants.

1.2.8 Collective Bargaining Agreement

Since 2000, Walton employees voluntarily established the Walton Corporation Labor Union, upholding the spirit of mutual respect and cooperation between labor and management, with the aim of safeguarding employees' legal rights and sharing in the fruits of corporate development. Since 2003, the Company has been recognized 13 times by the Industrial Science and Technology Park for its excellence in labor-management relations. In compliance with the law, representatives are appointed to participate in statutory meetings, including the Labor-Management Conference, the Employee Welfare Committee, and the Occupational Safety and Health Committee. Through these channels, employees are engaged in labor-management matters, thereby ensuring the protection of their working conditions, welfare, and workplace safety. Although Walton has established a corporate labor union, the negotiation of a **collective bargaining agreement** remains in the discussion and adjustment phase, with no final consensus reached. At present, the Company is actively assigning personnel to attend relevant government training programs and collect necessary information. Therefore, a collective bargaining agreement has not yet been finalized.

2024 7th Board of Directors and Supervisors Meeting

5 times

And 1 Extraordinary Meeting

2024 General Assembly of Union Representatives

1 times

Number of Employee Representatives Participating

46 people

1.3 Economic Performance

Guided by the corporate vision of “becoming a leading one-stop service provider for semiconductor memory backend solutions,” Walton is dedicated to delivering stable and efficient technical and service support to global customers. Under the guidance of its corporate culture and “C-TOPS” core values—building customer trust as the foundation, teamwork as the driving force, creating a high-quality environment, respecting professionalism, and sharing a common vision—the Company continues to enhance operational efficiency and resource integration, thereby increasing product value-added and market competitiveness.

Through prudent financial management and strategic planning, Walton not only achieves steady growth in revenue and profitability but also generates tangible value for shareholders, employees, and society, demonstrating both economic resilience and responsibility in sustainable operations.

Corporate Culture C-TOPS



Short-term Goals

- **Product Aspect**
Consolidate DDR4 and LPDDR4 packaging and testing projects, while actively expanding the DDR5 business.
- **Service Aspect**
Strengthen integrated packaging and testing services
- **Cost Aspect**
Continuously improve processes, materials, and yield rates to ensure cost competitiveness.

Mid- to Long-term Goals

- Deepen technological expertise
- Continuously enhance process capabilities and quality
- Strengthen service value / Enhance the value of services
- Promote carbon reduction initiatives and renewable energy adoption.

Evaluation Mechanism

Achieve annual revenue targets.

Resources Invested

- Establish Taiwan and China as the primary manufacturing bases.
- Build a comprehensive wafer probing and semiconductor packaging & testing platform.
- Strengthen the engineering and technical teams in semiconductor packaging and testing.
- Optimize corporate management systems to connect and integrate equipment, personnel, and processes, thereby further enhancing organizational efficiency.

Concrete Outcomes

- **Optimize Operational Efficiency:** Continuously improve processes, material utilization, and operating methods.
- **Strengthen Technical Capabilities:** Invest in advanced packaging and testing technologies required for next-generation high-speed memories such as DDR5 and LPDDR5.
- **Enhance Service Value:** Deliver superior service through integrated systems and professional service teams.
- **ESG Initiatives:** Promote carbon reduction action plans, adopt renewable energy, and achieve low-carbon transition targets.

1.3 Economic Performance

1.3.1 Direct Economic Value Generated and Distributed

Unit: NT\$ in Thousands

Item	2022	2023	2024
Revenue	5,957,968	4,043,363	5,009,366
Operating Costs	5,425,169	4,165,427	4,573,508
Employee Wages & Benefits	1,484,644	1,224,048	1,211,072
Payments to Providers of Capital	123,653	129,217	142,520
Payments to Government	(104,760)	96,752	272,650
Community Investments(慈暉社)	2,600	1,951	1,163

1.3.2 Employee Welfare Obligations and Retirement Plans

Walton has established employee retirement regulations in accordance with the Labor Standards Act and the Labor Pension Act. Based on employees' individual choices, the Company allocates 2% or 6% of total salaries as retirement contributions.

For employees under the old pension scheme, contributions are deposited into a designated account managed by the Labor Pension Reserve Supervisory Committee and held with the Bank of Taiwan (formerly the Central Trust of China, merged into the Bank of Taiwan in 2007).

For employees under the new pension scheme, contributions are made to each employee's personal pension account with the Bureau of Labor Insurance in accordance with statutory requirements.

1.3.3 Government Financial Assistance

Unit: New Taiwan Dollar

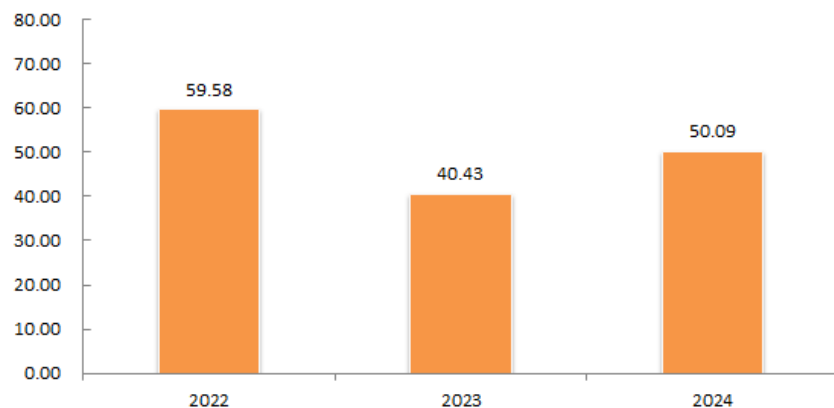
Organizer	Project Name	Content	Dollar
Kaohsiung City Government, Youth Bureau	Kaohsiung Youth Internship Matching Program	In collaboration with schools and enterprises across Kaohsiung, the program integrates local internship resources to provide youth with cross-disciplinary internship opportunities. Through the platform, young people can compete for internship placements and gain valuable workplace experience, while companies can leverage the platform to identify and recruit outstanding talent.	60,000
Ministry of Labor	Work-Life Balance Program	Placing employees' needs at the core, the Company provides measures that enable staff to balance caregiving responsibilities with their personal lives.	20,000
Industrial Development Administration, Ministry of Economic Affairs (MOEA)	Semiconductor Industry-Academia-Research Talent Development and Practical Skills Enhancement Program	Integrating resources from industry, academia, and research institutions, Walton fosters the cultivation of semiconductor professionals with immediate employability through practice-oriented collaboration models. This initiative enhances students' practical skills and problem-solving abilities, strengthens the alignment between academic learning and industry needs, and supports the development of key talent essential for sustainable industrial growth.	432,000

Economic Performance

In 2024, the global economy showed a moderate recovery trend. Walton's overall performance in 2024 was stronger than in 2023, with both revenue and profitability improving compared to the previous year. For the full year of 2024, the Company recorded revenue of NT\$5.009 billion, net profit after tax amounted to NT\$134 million, and earnings per share (EPS) after tax of NT\$0.26.

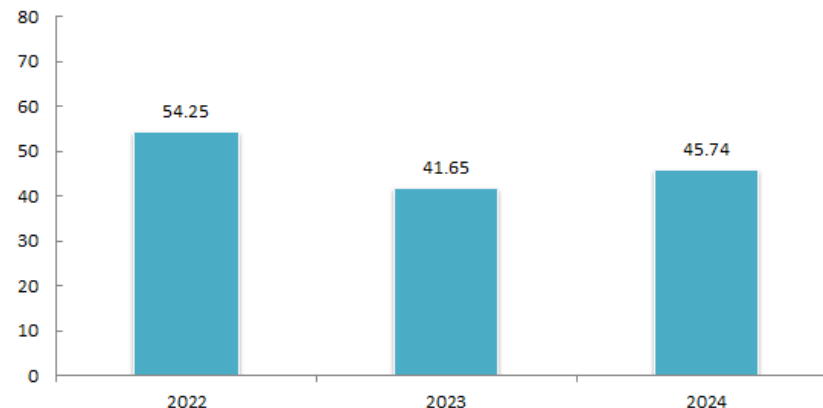
Operating Revenue

Unit: NT\$100 million



Operating Costs

Unit: NT\$100 million



Unit: NT\$ million

Performance Indicators	2022	2023	2024
Operating Revenue	5,958	4,043	5,009
Gross Profit	533	(122)	436
Operating Income (Loss)	220	(381)	165
Income Before Tax	364	(43)	204
Net Income for the Period	258	(7)	134
Other Comprehensive Income for the Period	(1,191)	604	(363)
Total Comprehensive Income for the Period	(933)	597	(229)
Earnings Per Share (EPS) (NT\$)	0.50	(0.01)	0.26

Market Overview

In 2024, the global economy showed a moderate recovery trend, with easing inflationary pressures. However, geopolitical tensions, inflation, and monetary policies continued to exert an impact. The U.S. economy demonstrated solid growth, while demand in Europe remained weak, and China sustained growth through policy stimulus. The market gradually rebounded from the downturn in 2023, driven primarily by recovering global demand, the rapid development of artificial intelligence (AI) technologies, and the completion of supply chain inventory adjustments. Nevertheless, the U.S.–China technology conflict and semiconductor policies in various countries affected global supply chains. The U.S. CHIPS Act and the EU Chips Act encouraged localized manufacturing, resulting in supply chain diversification. In addition, the high interest rate environment and persistent inflationary pressures posed challenges to the consumer electronics market. Although demand for smartphones and PCs showed signs of recovery, growth remained relatively slow. Overall, the global economic recovery in 2024 supported the growth of the semiconductor market, while structural challenges such as geopolitical risks, trade protectionism, supply chain restructuring, and climate change continued to create uncertainties for economic development.

Globally, the semiconductor market demonstrated steady growth in 2024. Total sales value, shipment volume, and average selling price (ASP) all increased compared to 2023. The total sales value reached USD 627.6 billion, representing a 19.1% year-on-year increase, indicating revived market demand. Total semiconductor shipments amounted to 952.5 billion units, up 3.42% compared to 2023, reflecting stable demand recovery. Notably, the ASP of semiconductors in 2024 reached USD 0.659, an increase of 14.32% over 2023, marking the highest level in seven years. This highlights the growing share of high-value products, especially AI chips, high-bandwidth memory (HBM), and advanced process chips, which enhanced product value and drove ASP growth. This trend reflects rising demand for advanced semiconductor products, elevating overall industry value. With continued demand from AI, high-performance computing (HPC), automotive electronics, and the Internet of Things (IoT), the semiconductor industry is expected to sustain growth. In particular, the rapid advancement of AI has fueled demand for advanced process chips, HBM, and application-specific

integrated circuits (ASICs), further expanding the market. Additionally, the recovery of consumer electronics, the adoption of 5G and Wi-Fi 7, and national policies to secure semiconductor supply chains are also shaping the market landscape.

Taiwan's semiconductor industry, a consistent global leader, benefited from the rebound in AI, HPC, 5G, and automotive electronics demand. Combined with the launch of new high-end smartphones and AI PCs, demand for related chips increased further, boosting advanced process and packaging services and driving overall industry growth. After surpassing NT\$4 trillion in total production value in 2021, Taiwan's IC industry overcame global economic and political uncertainties and surpassed the NT\$5 trillion milestone in 2024.

The semiconductor industry is inherently cyclical, with trends and fluctuations influenced by global economic conditions, technological innovation, and market demand. From 2021 to 2022, the industry experienced a super cycle driven by demand for remote work, online learning, and digital entertainment during the pandemic, which led to significant growth and global supply shortages. In 2023, however, economic slowdown, inflationary pressures, and weakening consumer electronics demand triggered an inventory adjustment cycle. Fortunately, emerging demand for AI-related applications created new growth momentum. By 2024, inventory adjustments had nearly concluded, and the semiconductor market experienced a broad-based recovery, with demand gradually rebounding. AI chips emerged as the primary growth driver, fueling surging demand for HPC and HBM products. According to WSTS (December 2024), the global semiconductor industry is projected to grow by 11.2% in 2025, reaching a total production value of USD 697.9 billion. Overall, the semiconductor industry is transitioning from the adjustment period of 2021–2024 into a new stage characterized by greater diversification, resilience, and innovation-driven growth, with 2025 set to be a pivotal year in this transformation.

From the perspective of industry capital expenditure, global demand for chips continues to grow, driven by factors such as changes in end-market demand, inflation, and geopolitical developments—particularly in advanced process nodes and generative AI applications. According to SEMI' s World Fab Forecast released in January 2025, global wafer capacity is projected to grow by 6.6% in 2025, reaching 33.6 million wafers per month. Overall, the semiconductor industry is expected to maintain large-scale capital investments in the coming years, aimed at expanding production capacity and driving technological innovation to meet the increasing global demand for chips.

Looking ahead, ongoing U.S.–China tensions and broader geopolitical dynamics will continue to shape the global industry landscape. Taiwan, with the world' s most complete semiconductor supply chain, holds a critical role in the global semiconductor industry.

Data from the Industrial Technology Research Institute (ITRI) in February 2025 shows that in 2023, the global semiconductor industry declined by 10.2% year-on-year due to weak consumer electronics demand and customer inventory adjustments. However, momentum strengthened in 2024, with sequential improvement each quarter. The total production value of Taiwan' s IC industry in 2024 reached NT\$5,315.1 billion, representing an impressive 22.4% annual growth. From 2021 to 2025, Taiwan' s IC industry demonstrated strong resilience and innovation capabilities—transitioning from rapid growth in 2021, through market adjustments in 2023, to a robust recovery in 2024–2025. Taiwan not only adapted to the challenges of global supply chain restructuring but also enhanced its global position through technological advancement and product portfolio optimization.

In 2025, the Taiwan Semiconductor Industry Association (TSIA) forecasts that Taiwan' s IC industry output will grow by 16.2%, slightly below the projected 19.1% growth of the global semiconductor industry, and is expected to surpass the NT\$6 trillion milestone. Within this, Taiwan' s IC packaging sector is projected to expand by 8.9% to NT\$460.8 billion, while IC testing is forecast to grow by 9.6% to NT\$219.5 billion. AI-related applications will continue to drive growth in Taiwan' s IC industry, while geopolitical factors and supply chain security considerations will present both opportunities and challenges. Sustained investment in technology innovation, capacity expansion, and international collaboration will be essential for maintaining Taiwan' s competitive edge in the global semiconductor market.

Taiwan IC Industry Output (2023–2025e)

Unit: NT\$ billion

billion	2023	2023 Growth rate	2024	2024 Growth rate	2025 (e)	2025 (e) Growth rate
IC Industry Output	43,428	-10.2%	53,151	22.4%	61,785	16.2%
IC Design	10,965	-11.0%	12,721	16.0%	14,155	11.3%
IC Manufacturing	26,626	-8.8%	34,195	28.4%	40,827	19.4%
Foundry	24,925	-7.2%	32,438	30.1%	38,960	20.1%
Memory and Other Manufacturing	1,701	-27.8%	1,757	3.3%	1,867	6.3%
IC Packaging	3,931	-15.6%	4,233	7.7%	4,608	8.9%
IC Testing	1,906	-12.8%	2,002	5.0%	2,195	9.6%
IC Product Output	12,666	-13.7%	14,478	14.3%	16,022	10.7%
Global Semiconductor Market (USD 100 million) and Growth Rate (%)	5,269	-8.2%	6,276	19.1%	6,979	11.2%

Source: TSIA; ITRI IEK (Feb 2025)

Notes:

•(e) indicates an **estimate**.

•**IC industry output** = IC design + IC manufacturing + IC packaging + IC testing.

•**IC product output** = IC design + memory and other manufacturing.

•**IC manufacturing output** = foundry + memory and other manufacturing.

•Since 2017, Inotera Memories, Inc. (a Micron subsidiary) has been excluded from Taiwan' s memory and other manufacturing output calculations.

•The above output values are calculated based on companies with headquarters located in Taiwan.

Future Development Vision and Challenges

Walton focuses on memory IC components, offering one-stop services ranging from wafer probing, memory IC packaging, finished product testing, to direct shipment. The following section outlines the key challenges, opportunities, and response strategies Walton will face in its future development:

★Challenges

Compared with logic ICs and analog ICs, the memory industry is significantly more concentrated. According to statistics published by TrendForce in February 2025, over 90% of the global DRAM market in 2024 was dominated by four companies—Samsung Electronics, SK Hynix, Micron Technology, and Kioxia (formerly Toshiba Memory). Similarly, more than 70% of the NAND Flash market was controlled by a handful of major players. Under such an oligopolistic market structure, the foremost challenge for memory packaging and testing service providers is to maintain a stable customer base. The global memory market is cautiously managed by leading players to balance supply and demand while advancing process technologies. Mainstream DRAM wafer processes have already reached the 1β nanometer node, while major NAND Flash suppliers have successfully developed 3D stacking technologies exceeding 200 layers. Existing memory manufacturers have made significant progress in improving yields and expanding capacity. However, Chinese memory manufacturers such as Yangtze Memory Technologies (YMT), ChangXin Memory Technologies (CXMT), and Reliance Memory continue to face obstacles due to U.S. export controls on critical wafer manufacturing equipment, hampering their progress in 3D NAND Flash and DRAM technologies. The ongoing U.S.–China tech conflict remains a major focus for the global semiconductor industry. As memory IC technologies evolve, the demand for packaging and testing technologies and equipment investments has also increased. Yet, the number of memory packaging and testing providers with long-term investment capacity and accumulated expertise has gradually declined. Since its establishment, Walton has invested nearly NT\$50 billion in capital expenditures, building a comprehensive and advanced memory packaging and testing capacity. Through optimized operational management, Walton delivers high-performance customer service, strengthens client relationships, and ensures the ability to sustain ongoing investments through superior operational efficiency. This constitutes the core

competitive advantage Walton has built over more than two decades in the memory industry.

★Opportunities

With the rapid growth of the global semiconductor market, demand for memory products across diverse application sectors continues to rise, further driving the expansion of the memory packaging and testing industry. According to Gartner's forecast on global semiconductor application market growth trends, smartphones remain one of the most important applications for the memory market, with the market size expected to reach USD 147.3 billion by 2028. Although the growth rate is relatively moderate with a CAGR of 6.4%, the adoption of emerging technologies such as LPDDR5X, UFS 4.0, and DRAM/NAND integrated solutions will require packaging and testing technologies to advance further in order to meet the demands of high-speed data transfer and low-power design. In addition, the wearable devices market is projected to maintain a CAGR of 9.2%, indicating that the consumer electronics sector will sustain stable demand and continue to fuel growth in the need for packaging and testing of miniaturized and low-power memory products.

2024 revenue growth: 18.1% (6.9% nonmemory)	2024 (USD B)	Apps	2028 (USD B)	2023-28 revenue CAGR: 9.4% (8.3% nonmemory)
25.1%	\$135.1	Smartphone	\$147.3	6.4%
-9.4%	\$63.4	Industrial/MII/Aero	\$100.8	7.6%
70.8%	\$68.8	Server	\$114.2	23.1%
16.0%	\$58.2	PCs	\$65.3	6.4%
44.4%	\$30.4	SSD	\$37.0	11.9%
93.5%	\$25.8	Accelerator Cards	\$46.3	28.2%
15.0%	\$20.0	ADAS	\$34.6	14.8%
5.9%	\$15.9	EV/HEV	\$27.7	13.0%
20.5%	\$8.9	Wearables	\$11.5	9.2%
128.7%	\$4.9	Auto-HPC	\$12.6	42.6%
5.1%	\$194.6	Others	\$232.1	4.6%
18.1%	\$622.0	Total Semi	\$829.4	9.4%

Global Semiconductor Application Market Growth Trends

Source : Gartner (TSIA, 2025/1)

Although the shipment growth of major connected device end-product markets remains limited, market development trends have gradually shifted toward technological upgrades and product quality improvements. Among these, the continuous evolution of wireless communication technologies has become a core driving force for industry development.

According to the Ericsson Mobility Report (November 2024), fifth-generation wireless communication technology (5G) will serve as the primary growth driver in the coming years. The global number of 5G users is expected to increase from 4.32 billion in 2019 to 6.35 billion by 2030. By 2027, 5G will officially replace fourth-generation wireless technology (LTE, Long Term Evolution, commonly referred to as 4G) as the mainstream market standard. The global number of 4G users peaked at 5.3 billion in 2022 and is projected to decline to 2.44 billion by 2030.

By 2030, the total number of connected devices worldwide is expected to reach 8.79 billion, including smartphones, tablets, and personal computers—most with technical specifications equivalent to or surpassing today's mid- to high-end products. Mobile network data traffic is also projected to grow significantly, with global mobile data traffic estimated to increase nearly 200% between 2024 and 2030. By the end of 2030, 5G networks are expected to carry approximately 80% of mobile data traffic, positioning broadband IoT (4G/5G) connections as the predominant technology for IoT applications.

With the rapid advancement of artificial intelligence (AI), processors and memory technologies are facing increasingly diverse challenges, requiring different IC grades and system architectures for different applications. Some use cases involve the processing of vast and complex unstructured data, such as images and audio, and require real-time, high-speed computation and decision-making—for example, ChatGPT, advanced driver assistance systems (ADAS), and autonomous driving technologies. These applications emphasize low latency and high bandwidth, demanding extremely high memory performance and capacity. Market forecasts suggest that AI and high-performance computing (HPC) applications will drive a 5 to 8-fold increase in required system memory capacity, further accelerating memory market growth.

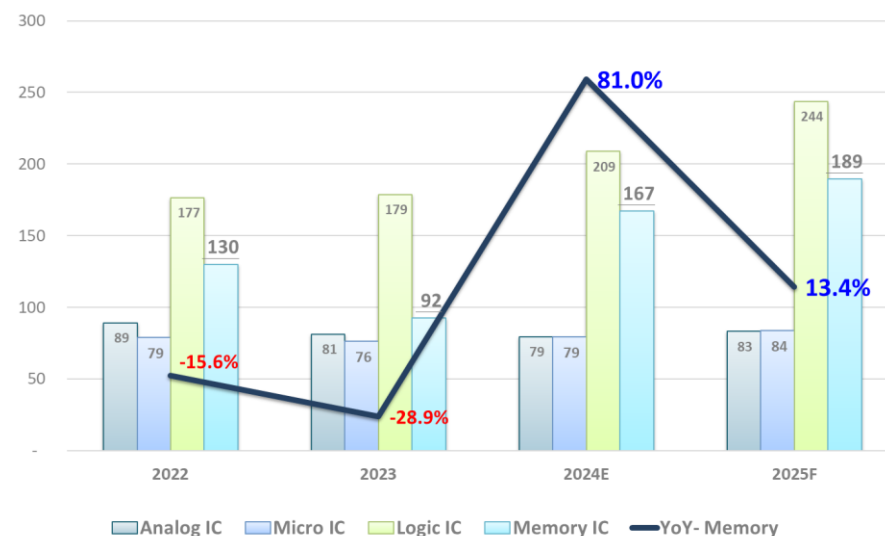
Meanwhile, other applications such as smart grids emphasize long-term data collection, monitoring, analysis, and decision-making support. Currently, many AIoT (Artificial Intelligence of Things) applications remain in their early stages of development. In the future, the ability to provide optimized hardware-software integration solutions tailored to specific use cases will directly influence system architecture evolution and the direction of embedded memory development.

In summary, in the short term, smartphones, tablets, and servers remain the

primary pillars of DRAM demand. Over the medium to long term, the rise of generative AI will significantly drive demand for AI servers. Along with the growth of wearables, smart vehicles, smart homes, and IoT technologies, these applications will further expand the global memory market. Overall, the memory industry is expected to maintain stable and sustained growth momentum under the drive of diversified applications.

Market Value
Unit: \$M

WSTS Semiconductor Market Forecast



2022–2025F WSTS Global Semiconductor Market Forecast

Note: Data is sourced from WSTS, released in December 2024.

Source: Compiled by Walton Marketing and Sales Department

★Response Strategies

Facing an ever-changing industry environment, Walton is committed to enhancing product development speed and cost control through a dual-track approach of R&D and process capabilities. This ensures the maximization of technology upgrade benefits while effectively managing capital expenditures and investment risks.

1. R&D Innovation and Technology Planning

Walton continues to strengthen its technology R&D and product development management, aiming to shorten the timeline from product planning to mass production and market launch. This strategy enhances our competitive advantage and profitability during the initial phase of market introduction. In addition, we actively monitor and adopt the latest technology development trends to ensure seamless generational transitions, thereby reducing uncertainties in equipment investment. The successful implementation of these strategies relies heavily on close collaboration and efficient coordination with our customers.

2. Process Capability Enhancement and Production Management Optimization

Walton leverages big data analytics to cross-analyze key parameters such as equipment operating conditions, product yield, production cycle, and capacity efficiency, thereby improving production line efficiency and overall management performance. In addition, through flexible capacity allocation and a scalable production platform, we ensure agile adjustments to product portfolios, addressing the diversified needs of product lines while reducing investment risks associated with technology upgrades.

3. Risk Management and Operational Stability

From platform development and product innovation to business expansion, Walton adopts systematic analysis and monitoring mechanisms that enable management teams to promptly identify investment risks and plan corresponding mitigation strategies in advance. Furthermore, by dynamically adjusting and finely managing both customer portfolios and product portfolios, we effectively reduce overall operational volatility, ensuring stable business growth while continuously strengthening our market leadership position.

Over the past two decades, the memory IC market has developed rapidly, with applications of DRAM and NOR/NAND Flash continuously expanding—from computers, consumer electronics, and servers to smartphones and IoT devices, and gradually extending into the automotive

sector. This has driven the ongoing evolution of the memory product line. Meanwhile, memory technology has also advanced significantly. Taking DRAM as an example, its generational development has progressed from SDR, DDR1, and DDR2 to DDR4, GDDR5/6, and LPDDR4/4x. To meet the demands of 5G and AI computing for high-performance memory, LPDDR5 entered mass production in late 2020 with capacity expansion continuing, while DDR5 adoption was slower until 2022, when Intel and AMD introduced chipsets supporting DDR5, thereby boosting market demand. Major memory manufacturers—Samsung Electronics, SK Hynix, and Micron—have since focused their R&D and production efforts on data center and AI applications.

Recently, fueled by the rapid advancement of AI technologies, semiconductor giants such as NVIDIA, AMD, and Intel have launched processor platforms equipped with high-bandwidth memory (HBM), further accelerating R&D and capacity expansion in HBM. The three major DRAM manufacturers—SK Hynix, Samsung Electronics, and Micron Technology—have all announced plans to significantly expand DDR5 and HBM production in 2024 to meet the rising demand for data centers and high-end servers. HBM and DDR5/LPDDR5 will undoubtedly become the key growth drivers of the next DRAM market cycle.

In recent years, with rising societal attention on climate change, environmental protection, and social responsibility, ESG has emphasized corporate performance across the environmental, social, and governance dimensions. ESG is now regarded as a key benchmark for investors and stakeholders in evaluating a company's sustainable development capability.

Since the UN Climate Change Conference (COP26) in 2021, achieving net-zero carbon emissions has become a critical target actively pursued by governments and corporations worldwide. Confronted with increasingly stringent international carbon reduction regulations, companies must prioritize supply chain management and sustainability strategies to align with global decarbonization trends. As an integral part of the electronics manufacturing supply chain, the semiconductor industry is resource-intensive, heavily dependent on electricity and water usage, and involves both greenhouse gas emissions and waste management. Therefore, carbon reduction has profound implications for the development and sustainability of the industry.

Currently, leading global information technology (IT) companies, such as Apple, Google, Microsoft, and Amazon, have gradually set carbon reduction targets across their supply chains, requiring partners to share environmental responsibilities. As a part of the semiconductor supply chain, Walton actively responds to the global decarbonization trend by incorporating ESG sustainability principles into its operational planning, promoting a low-carbon transformation, and ensuring the company's competitiveness and long-term development in the global market.

Adhering to the concept of corporate sustainable development and in response to international trends in ESG (Environmental, Social, and Governance) and net-zero carbon emissions, Walton comprehensively integrates environmental management, supply chain collaboration, and technological innovation to ensure long-term competitiveness and strengthen its global market position. The company will advance its carbon reduction action plan from the following aspects to achieve its low-carbon transformation objectives:

Green Factory Deployment

Through comprehensive carbon emission inventories and audits, Walton identifies emission hotspots across factories and introduces low-carbon building concepts. Optimization and retrofitting are implemented in building structures, HVAC and cooling systems, lighting facilities, and water pipelines to improve infrastructure performance in line with low-carbon standards, thereby achieving energy conservation and emission reduction goals.

Green Supply Chain Management

As a key player in the packaging and testing industry, Walton actively drives supply chain carbon reduction by setting environmental standards for suppliers and collaborating with key partners to optimize product carbon footprints. The company also fosters long-term ESG partnerships with major customers and suppliers to strengthen carbon reduction management and promote sustainable practices across the value chain.

Green Products and Low-Carbon Processes

With the core goal of reducing energy consumption and greenhouse gas emissions, Walton optimizes every stage from product design to process technologies. Our R&D teams actively develop improvements in packaging structures and processes to reduce unit energy consumption and carbon emissions while enhancing production efficiency, thereby mitigating environmental impacts and achieving environmental sustainability goals.

Renewable Energy Adoption and Green Power Integration

In response to Taiwan's 2050 Net-Zero Emissions Policy and end customers' requirements for renewable energy, Walton has launched a green power procurement plan and is gradually increasing the proportion of renewable energy usage. This reduces reliance on traditional energy sources, ensures compliance with international environmental standards, and enhances corporate competitiveness.

Environmental Awareness Promotion and Social Responsibility Practices

Walton strengthens environmental awareness among employees by promoting environmental education and training programs. We encourage employees to actively participate in community services and environmental protection activities, fulfilling our corporate social responsibility. In addition, the Company collaborates with relevant institutions to jointly drive sustainable development within the industry value chain, fostering shared growth between enterprises and society.

Through the above comprehensive response strategies, Walton will fully implement its ESG sustainability goals, actively respond to the global decarbonization trend, ensure long-term competitiveness in the international market, and contribute to global environmental protection and industrial upgrading. At present, global memory manufacturers are focusing on improving new process output and yield, as well as advancing R&D in next-generation manufacturing technologies, in order to strengthen their technological leadership and cost competitiveness in the market. The same applies to the memory packaging and testing sector, where only a few companies remain capable of providing corresponding advanced services. In response to the diversification of memory products, only through professional technology, production excellence, sound management, and the synchronized implementation of ESG sustainability actions can a company deliver complete and highly efficient packaging and testing services. Walton will continue to strengthen its expertise in memory packaging, testing, production, and services, aspiring to become the world's most competitive memory packaging and testing service provider. Facing a rapidly changing industrial and economic environment, Walton will adhere to technology as its foundation and customer needs as its guiding principle, focusing on continuous improvement in quality, cost, delivery, and service. By doing so, the Company seeks to achieve sustainable growth while maintaining stability.

Main Products and Services

Walton provides customers with a comprehensive one-stop backend service, covering IC packaging, testing, module manufacturing, and finished product delivery to end customers. In addition to continuously upgrading existing technologies, Walton is also dedicated to technological research and development. From 2018 to May 2019, the Company invested NT\$90,339 thousand in R&D expenses.

Looking ahead, Walton's R&D efforts will continue to align with the industry trend toward lighter, thinner, shorter, and smaller products, while focusing on platform integration across packaging, testing, and module manufacturing. The Company is also committed to advancing SiP (System-in-Package) and wafer-level technologies to meet the growing performance and frequency demands of consumer and mobile device applications.

In 2023, production volumes were as follows: IC packaging products: 1,545,433 thousand units / IC testing products: 1,567,309 thousand units / Total: 3,112,742 thousand units/ For detailed information, please refer to Walton's 2023 Annual Report.

Packaging Product Development

1. 1995 – 1996, focused on the development of low-density volatile and non-volatile memory, primarily larger-sized plastic packaging types such as DIP, SDIP, SOJ, PLCC, SOP 330/450 Mils, QFP, LQFP, TSOP(II) 300.
2. 1997 – 1998, moved toward smaller, thinner, and higher-density products, successfully increasing the proportion of logic products, such as SOP 150/300 Mils, TSOP(I) 300 Mils, TSOP(II) 300/400 Mils.
3. 1999 – 2000, introduced TF-BGA, MINI-BGA, and QFN as the main CSP products and successfully implemented mass production. Focused on high pin count, high density, with improved thermal dissipation and electrical performance.
4. 2001, successfully mass-produced Flip Chip and Bare Chip products, moving toward system integration ICs and module products, such as RF high-frequency IC modules.
5. 2009, successfully mass-produced MCP (Multi-Chip Package) products.

Future Outlook

Walton will continue to move toward high-density, high-thermal dissipation, high pin count, and miniaturized products. The Company will focus on wafer-level one-stop packaging and testing services, including COF (Chip-on-Film), WLP (Wafer-Level Packaging), and advanced technologies such as System-in-Package (SiP), 8-die stacking for SSD packaging, and SAW Filter packaging.

Testing Services

Walton provides customers with one-stop services from wafer testing to final package-level testing, supported by the industry's most precise, high-resolution, and efficient testing equipment. The Company is committed to delivering the most reliable and comprehensive testing services.

Key services include:

1. Product characterization and performance analysis
2. Test program development and implementation
3. Functionality verification to ensure IC performance aligns with original design specifications
4. Reliability analysis of semiconductor products
5. Development of various test fixtures and tools

The primary objective of IC package testing is to ensure chip quality and performance. ICs that successfully pass package testing are widely applied in a broad range of electronic products, including: Personal Computers (PCs) / Tablets and Laptops / Servers / Smartphones / Consumer Electronics / Automotive Electronics / Internet of Things (IoT) devices.

Customer-Centric Service Approach

Stable customer relationships form the foundation of success in the IC backend packaging and testing industry. Since its establishment, Walton has built a customer base that includes leading memory manufacturers from the United States, Japan, and Taiwan. Recognized by major clients for its strong performance, Walton has further strengthened its market position by establishing strategic alliances, with some key clients becoming shareholders of the Company. These strong partnerships not only secure Walton's future development and growth momentum but also reinforce its credibility and competitiveness in winning additional orders from other international leaders.

Walton positions itself as a "virtual factory" for its customers, placing strong emphasis on two core values: customer communication and customer service. To this end, the Company has established dedicated cross-functional customer service teams for strategic clients. These teams coordinate and oversee every detail from product development, mass production, and shipment, to continuous quality improvements—ensuring that customers receive the highest value services through optimal communication channels, and achieving mutual goals.

Furthermore, Walton leverages digital technology by providing an online "virtual factory" information platform, enabling customers to monitor all operational dynamics in real time. This significantly simplifies supply chain management processes and enhances transparency, ensuring customers remain closely connected to production progress.

Customer Satisfaction Survey

Customer satisfaction serves as the foundation for maintaining strong client relationships and driving business development. Evaluation criteria and rankings provided by customers fully reflect their expectations toward outsourcing partners and serve as an important reference for understanding client needs. The sub-items and relative weights established in customer evaluations, as well as the corresponding evaluation methods and standards, are key references for Walton in formulating improvement plans for customer satisfaction. From these evaluation results, the Company can clearly identify how customers perceive Walton's performance and how it compares with other outsourcing service providers. Such analyses help the Company better understand its shortcomings and drive all relevant departments, in collaboration with the business units, to develop, implement, and track improvement measures. This process forms the basis of Walton's ongoing efforts to enhance operational processes. In addition to quarterly or annual customer evaluations, Walton, as a provider of outsourced IC packaging and testing services, maintains comprehensive and close interactions with its clients. Beyond daily communications via phone calls and email, the Company engages in regular weekly, monthly, and quarterly meetings, customer visits, and client audits. In recent years, end-customer audits have also become an important new communication channel. Through these audits, Walton can directly understand the needs of end customers and work closely with direct clients to meet those expectations. This process not only strengthens business growth but also deepens collaborative partnerships.



1.4 Supplier Management

To fulfill Walton's supplier development policy and commitments, we have established a supplier sustainability management process, which operates in an annual continuous cycle to ensure that our suppliers meet our standards and requirements, thereby enhancing their sustainable performance. Walton works closely with supplier partners and, through a three-stage approach of "Risk Assessment," "Joint Growth," and "Shared Commitment," we advance together with our suppliers toward sustainability.

Policy

Continuously strengthen the demonstration of integrity and sustainability to external partners, establishing fair, transparent, and mutually beneficial relationships that support sustainable development..

Mid- to Long-term Goals

Continue to demonstrate integrity and sustainability values to external partners, and establish fair, transparent, and mutually beneficial relationships to promote sustainable development.

Short-term Goals

- With the raw material centralization strategy and product conversion, the proportion of local procurement amounts has been increasing. By 2025, it is expected to continue growing by approximately 1–2%.
- For small-volume, diversified materials, the number of newly developed local suppliers is projected to increase by 3–4%.

Resources Invested

- Local procurement expenditure continued to grow positively in 2025.
- Annual supplier evaluation to select outstanding suppliers and conduct supplier audits.

Responsible Department

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Joint Efforts Toward Sustainability

Risk Assessment

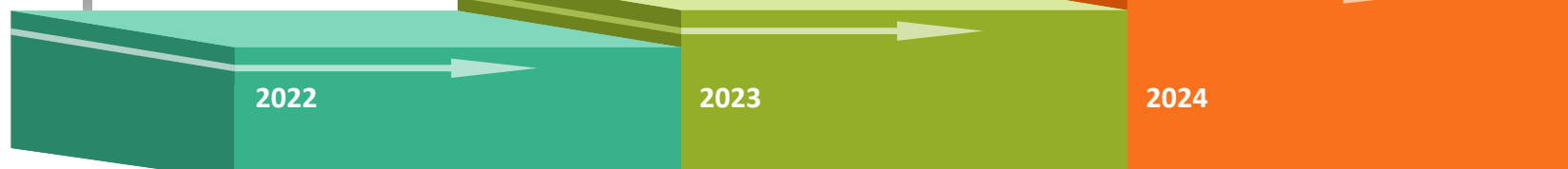
- Hosting Supplier ESG Exchange Conference
- Implementing Supplier ESG Questionnaires
- Enhancing Supplier Evaluation Mechanism

Joint Growth

- Establish Key Suppliers
- On-Site Supplier Audits
- Supplier Guidance and Support

Shared Commitment

- Promote ESG Implementation Among Suppliers
- Collaborative ESG Initiatives
- Achieve Net Zero by 2050



1.4.1 Proportion of Procurement Spending from Local Suppliers

Year	2022		2023		2024	
Item	Raw Materials	Materials	Raw Materials	Materials	Raw Materials	Materials
Proportion of Local Suppliers (by number of suppliers) (%)	25.0%	84.0%	28%	88%	21.0%	92.0%
Proportion of Local Procurement Spending (by amount) (%)	13.0%	48.0%	19%	75%	27.0%	68.0%

Sustainability Management

Walton is committed to being an advocate for key issues in corporate sustainability, fostering a responsible business model toward the environment and society to exert positive influence within the semiconductor industry. In addition to following the Responsible Business Alliance (RBA) Code of Conduct to evaluate labor, environment, health and safety, business ethics, and management systems in operations, Walton also extends sustainability management to its suppliers. To ensure workplace safety, safeguard employee rights, implement environmental protection, and uphold ethical conduct, Walton strictly prohibits suppliers from employing child labor or using forced labor. In the event of any major violation, cooperation will be terminated. Since 2021, no suppliers have had their partnerships terminated due to violations related to child labor or forced labor.

As an RBA member, Walton has established its own Supplier Code of Conduct, modeled after the RBA standards. Suppliers are required to comply with these rules, and are encouraged to demand their upstream suppliers and subcontractors to adopt the same practices. All new suppliers must sign Walton's Supplier Code of Conduct before being qualified for cooperation.

1. Signing confidentiality agreements and integrity commitments.
2. Raw material suppliers must be certified under the ISO 9001 Quality Management System.
3. Plant services and related contractors must be certified under the ISO 45001 Occupational Health and Safety Management System.
4. Local suppliers must obtain valid factory registration licenses issued by local governments and certification under the ISO 14001 Environmental Management System, depending on the business category.

Additionally, all Walton suppliers are required to participate in corporate social responsibility-related activities. If evidence of employee rights violations is identified, immediate investigation will be conducted. If confirmed, the supplier will be required to rectify the issue within a set timeframe; in cases of major violations, the supplier will be disqualified.

1.4.2 Screening New Suppliers Using Environmental and Social Standards

Year	2022	2023	2024
Number of New Suppliers	2	0	1
Number of New Suppliers Screened Using Environmental and Social Standards	2	0	1
Proportion of New Suppliers	100%	0	100%

Note:

New raw material suppliers are prioritized based on price competitiveness and the ability to supply the required materials. Supplier ESG implementation is tracked and reported, with related data compilation and disclosure planned for completion in 2025, in order to more comprehensively demonstrate the outcomes of supply chain sustainability management.

01

Based on the business relationship between the Company and its suppliers, covering all product categories and locations, a preliminary assessment is conducted to analyze potential risks.



02

According to the first-stage supplier SAQ survey results, supply chain resilience, and transaction amounts, supplier risk identification and tiered management measures are defined.



03

For "critical high-risk suppliers" with higher urgency, on-site audits are conducted to assess their risk status, and continuous guidance is provided to reduce risks.

Conflict-free Mineral Management

Responsible Mineral Sourcing Policy

Walton is committed to the management of conflict-free minerals and to implementing a responsible mineral sourcing policy through due diligence processes, in order to meet the expectations of current and future markets, laws, and regulations. All suppliers are required to provide a “Responsible Mining Policy and Conflict-Free Minerals Declaration”, and are expected to expand the scope of their due diligence and information disclosure. Moreover, suppliers must also pass on these requirements to their upstream suppliers, thereby continuously strengthening Walton’s responsible sourcing program.

Walton is committed to conflict-free mineral management and responsible sourcing strategies to meet the expectations of current and future markets, laws, and regulations. To comply with the requirements of conflict-free minerals and to fulfill our responsibility as a member of the Responsible Business Alliance (RBA), we align with the objectives of the Responsible Minerals Assurance Process (RMAP).

All Walton suppliers have completed conflict minerals supply chain surveys, and the smelter investigations provided by material suppliers have been confirmed to comply with conflict-free minerals and the requirements of the RMAP, thereby making tangible contributions to the environment and the sustainability of the industrial supply chain.

Suppliers and raw material providers that use or contain gold (Au), tantalum (Ta), tin (Sn), tungsten (W) (collectively 3TG), cobalt (Co), and mica must comply with Walton’s policy. Accordingly:

For 3TG (gold, tantalum, tin, tungsten), suppliers are required to adopt the Conflict Minerals Reporting Template (CMRT).

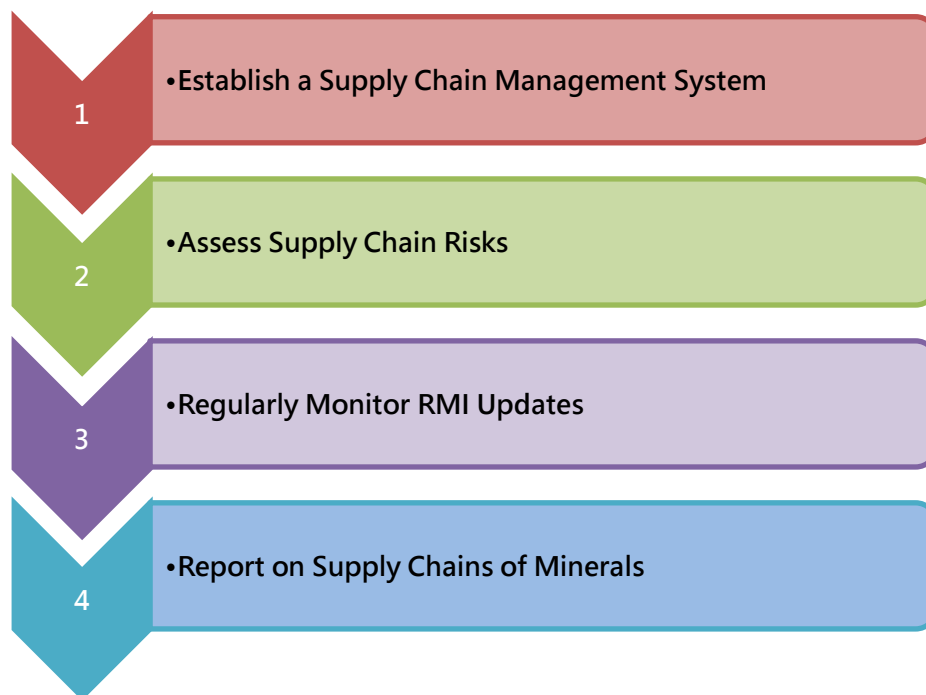
For cobalt and mica, suppliers are required to adopt the Extended Minerals Reporting Template (EMRT).

These tools must be used to provide full traceability of smelters and mineral sources, ensuring that the supply chain does not participate in funding warlords or armed groups, nor engage in practices that violate fundamental human rights. This approach ensures compliance with responsible mineral assurance policies and strengthens Walton’s commitment to ethical sourcing.

Due Diligence Preparation

Walton’s supply chain maintains a multi-tier relationship with upstream raw material sources. Therefore, prior to conducting investigations, we first examine supply chain raw materials to define the application categories of gold (Au), tantalum (Ta), tin (Sn), tungsten (W) (collectively 3TG), cobalt (Co), and mica in our products. Based on this definition, we screen suppliers that require conflict minerals investigations.

Through cascading supply chain surveys, Walton applies and cross-references the standardized tools defined by the Responsible Minerals Initiative (RMI) to compile the latest smelter and refiner list.



Looking ahead, Walton will continue to follow the Responsible Minerals Assurance Process (RMAP) policy by conducting enhanced due diligence and mitigating supply chain risks.

Supplier Risk Assessment

To effectively understand and manage sustainability risks within the supply chain, Walton identifies substrates and lead frames as key materials (hereinafter referred to as “direct materials”). A Sustainability Risk Assessment Questionnaire (SAQ) is distributed to suppliers of direct materials as well as indirect material suppliers.

Suppliers are required to respond to the SAQ covering five key sustainability dimensions, and provide supporting evidence such as system certification documents or relevant operational records: Sustainability and Operational Risk Management / Supply Chain and Business Continuity / Environmental Protection / Human Rights and Labor Protection / Occupational Health and Safety.

The results of the supplier self-assessment serve as the foundation for Walton’s subsequent sustainability risk management and improvement actions.

Supplier Sustainability Risk Assessment Flowchart



Aspect	Risk Factor	Risk Description
Economic	Risk and Management	Suppliers have not established procedures for identifying operational regulatory risks (including business ethics, environmental protection, health and safety, and labor rights), nor formulated emergency response and improvement plans for risk management. In addition, suppliers have not established privacy and personal data protection procedures.
	Sustainable Supply Chain Management	Suppliers have not established policies or mechanisms for sustainable supply chain management.
	Information Security Management	Suppliers have not established relevant information security management mechanisms, nor implemented risk simulation drills and improvement plans.
Sustainable Environment	Climate Change and Carbon Management	Suppliers have not incorporated climate change risk management (TCFD) or published related results, and have not participated in or responded to the Carbon Disclosure Project (CDP).
	Waste Management	Suppliers have not set annual waste reduction targets based on hazardous/non-hazardous waste conditions, nor established environmental risk and impact assessment procedures.
	Water Resource Management	Suppliers have not set water resource management goals or implemented recycling mechanisms.
Social Care (People)	Occupational Health and Safety	Suppliers have not established management and preventive measures for emerging infectious diseases.
	Labor Rights Protection	Suppliers have not established mechanisms for managing labor brokers and labor agencies.

1.4.3 Negative Environmental and Social Impacts of the Supply Chain and Actions Taken

Walton strengthens supply chain resilience by conducting supplier risk assessments to identify potential risks. The company evaluates suppliers across five key areas: supply chain risks, quality and reliability, environmental health and safety, fire protection systems, and labor ethics. Through supplier audits and self-assessment questionnaires (SAQ), including both on-site and remote audits, Walton identifies potential risks and opportunities for improvement, requiring suppliers to propose corrective action plans and timelines.

As part of the annual audit plan, Walton implements supplier audits and reviews supplier self-assessments, continuously monitoring supplier quality performance while requiring ongoing improvement.

•The supplier audit questionnaire is divided into five aspects



Supplier Audit	2022	2023	2024
Number of Suppliers	49	49	49
Number of Suppliers Self-Assessed	16	18	21
Number of On-site Audited Suppliers	6	10	7
Overall Supplier Audit Rate	44.90%	57.14%	57.14%

Note:

1. The auditing process is conducted based on the annual audit plan.



Continuous Improvement & Supplier Conference

The Walton team regularly tracks improvement progress through the execution of the annual audit plan and subsequent continuous improvement measures. In 2024, Walton conducted seven on-site audits of key high-risk suppliers, effectively monitoring supplier risk status and enhancing their sustainability capabilities. This ensures stable material supply and services within the supply chain, establishes safe and healthy working environments, and reduces environmental and social impacts. Additionally, to implement supply chain management and the concept of mutual growth with suppliers, Walton holds an annual supplier conference to ensure that supplier partners fulfill their corporate social responsibilities and comply with, as well as promote, the RBA Code of Conduct and related standards. Outstanding suppliers are recognized at the conference with awards based on key evaluation criteria, highlighting their contributions and performance.

Supplier Conference

1

Number of participating suppliers

21

Number of on-site audits

7

1.5 Information Security Protection

In the digital era, information security is a key element of corporate sustainability. Walton upholds a “Security First” principle, implementing a comprehensive information security management program and continuously enhancing its systems to address evolving cyber threats. By adopting international standards and obtaining relevant certifications, the company ensures the confidentiality, integrity, and availability of data across processing, storage, transmission, and circulation, while maintaining smooth operation of systems, equipment, and networks. Information security performance is reported annually to the Board of Directors.

Policy

Commit to providing an information-secure environment to safeguard the rights and interests of all stakeholders.

Goals

- Establish a comprehensive information security management system to ensure the confidentiality, integrity, and availability of information assets.
- Enhance information security awareness among all employees to reduce risks arising from human error.
- Effectively prevent and respond to various information security incidents, minimizing potential losses.
- Comply with relevant laws, regulations, and industry standards to uphold corporate reputation.

Evaluation Mechanism

- **Information Security Risk Assessment:** Conduct at least once a year, with management measures adjusted based on the assessment results.
- **Management Review Meetings:** Held annually to review the effectiveness of the Information Security Management System (ISMS).
- **Regular Internal Security Audits:** Conducted monthly to examine the implementation status of information security management measures.
- **Cross-Departmental or External Security Audits:** Conducted quarterly, performed by different departments or external experts.

Management Measures

- **Personnel Security Management:** Conduct information security training, sign confidentiality agreements, and control personnel access.
- **System and Network Security:** Deploy firewalls, intrusion detection systems, and other security devices to prevent cyberattacks, and encrypt critical data during storage and transmission.
- **Application Security:** Follow secure coding standards in software development.
- **Physical Security:** Implement physical isolation and access control for key facilities such as data centers and servers, with 24-hour monitoring.
- **Incident Response:** Establish an information security incident response team and conduct regular incident response drills.
- **Asset Management:** Establish centralized storage for the management of critical data.
- **Security Audits:** Conduct regular internal security audits and cross-department security audits.
- **Confidentiality Management:** All employees are obligated to protect company confidential information; external partners sign confidentiality agreements (NDAs) when necessary.

Resources Invested

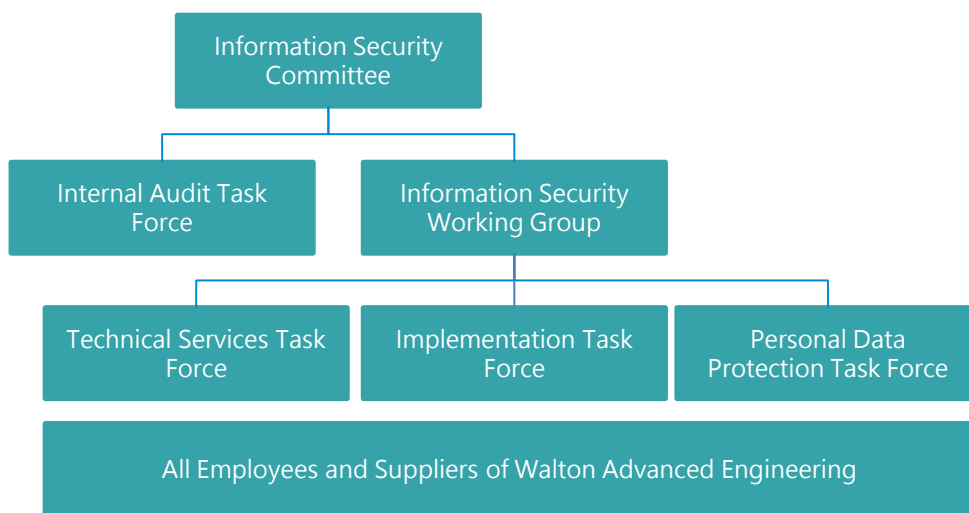
- **Human Resources**
 - The Information Security Management Committee is composed of information security representatives from each department, with approximately 20 members. The committee holds monthly meetings to discuss information security issues and promote implementation.
 - A dedicated information security department or personnel is responsible for day-to-day information security management, including security equipment maintenance, incident response, and employee training.
- **Financial Resources**
 - More than NT\$5 million is invested annually in information security-related equipment and services.

Note: Please refer to the official website
<https://www.walton.com.tw/?lang=zh-TW>

Information Security Organization

The Information Security Committee manages the intellectual property, trade secrets, and personal data used within the organization, ensuring comprehensive oversight and adhering to the principle of providing a secure information environment to safeguard the rights and interests of all stakeholders.

In 2015, Walton Advanced Engineering implemented the ISO 27001 Information Security Management System (ISMS) and has since obtained regular ISO 27001 certifications. The current certificate is valid from May 7, 2024, to May 6, 2027. This certification enhances the company's capability to respond to information security incidents and ensures the protection of Walton's confidential information from unauthorized disclosure.



Intellectual Property Management

Walton Advanced Engineering highly respects intellectual property rights and ensures the proper protection of intellectual property during the transfer of technology and production know-how in collaboration with customers. To safeguard intellectual property and trade secrets, the Company has established the "Intellectual Property Management Procedure."

Control and Preventive Measures

1. Authorized Usage

-Suppliers, employees, and other related parties may only use the Company's, employees', or customers' intellectual property with prior

authorization.

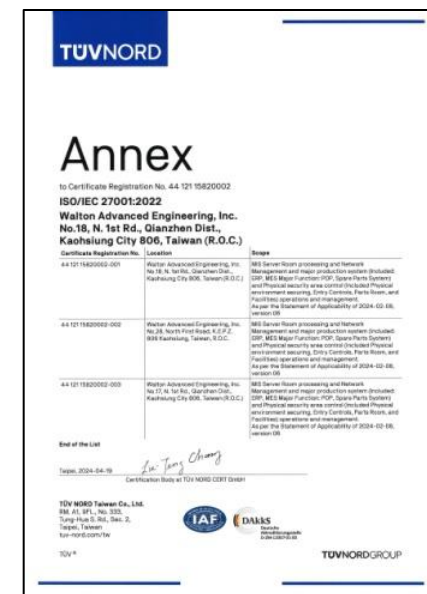
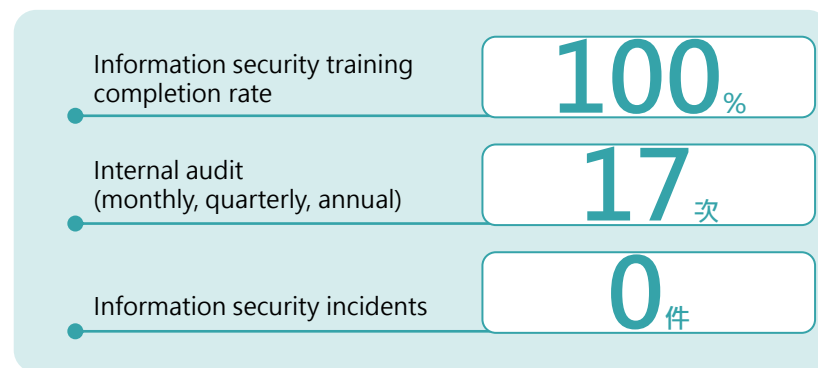
-Contracts must be signed according to their roles, and civil and criminal liabilities are retained for violations.

2. Employee Management

-All employees are required to sign a Confidentiality Agreement and an Employment Contract on their first day of employment to ensure the protection of the Company's and customers' trade secrets.

3. Supplier Management

-All suppliers must sign a Confidentiality Undertaking as a prerequisite for cooperation, ensuring compliance with intellectual property protection requirements.



1.6 Risk Management

Walton Advanced Engineering upholds the philosophy of sustainable operations and forward-looking risk management by establishing a comprehensive risk assessment and management framework. This framework covers risk identification, evaluation, response, control, monitoring, and continuous improvement, enabling the Company to systematically identify and mitigate potential environmental, social, and governance (ESG) risks. This ensures stable operations while balancing stakeholder expectations and long-term corporate value. In terms of regulatory compliance, the Company not only strictly adheres to relevant domestic and international regulations, but also continuously monitors industry policy developments and legal amendments to ensure that its operations remain aligned with the latest requirements. Regarding litigation and non-litigation matters, Walton Advanced Engineering affirms that during the most recent fiscal year and up to the publication date of this report, the Company has not been involved in any major litigation, non-litigation, or administrative proceedings that have been adjudicated or are still ongoing.

Risk Identification

Collect potential sources of risks related to Environmental, Social, and Governance (ESG) factors, and identify possible impact drivers.

Risk Assessment and Analysis

Conduct both qualitative and quantitative analysis of ESG risks based on "likelihood of occurrence" and "degree of impact."

Formulation of Risk Response Strategies

Develop strategies to mitigate, transfer, accept, or avoid risks, while designing improvement plans aligned with business objectives.

Internal Control and Implementation

Integrate sustainability risk management into daily operations, decision-making, and supply chain management, with regular reviews.

Monitoring and Feedback

Regularly monitor risk indicators and improvement progress. Collect relevant information such as abnormal events and regulatory updates, and implement necessary corrections.

Risk Category	Risk Description	Risk Management Strategy (Response Measures)
Sustainable Environment	Continuous increase in greenhouse gas emissions	Short term : 1. Replace diesel trucks with electric vehicles, gradually phasing out diesel-powered transportation. 2. Accelerate the replacement of energy-saving components and equipment at the machine level, and continuously implement energy-saving projects for production machinery and facility systems. Midterm : Gradually introduce strategies in each plant to reduce carbon emissions and mitigate other environmental impacts, such as installing solar panels, adopting renewable energy, and further improving equipment energy efficiency. Long term : Require suppliers to increase the use of renewable energy and procure low-carbon emission materials.
	Ineffective energy conservation	Regularly inspect and maintain energy-saving equipment, continuously monitor energy usage, and promptly adjust operations and carry out repairs in case of abnormalities; strengthen employee awareness of energy conservation and track improvement results to ensure energy efficiency.
	Continuous increase in wastewater discharge	Short term : 1. Prioritize water-saving certified products for daily water-use equipment to reduce water consumption. 2. Conduct routine inspections of plant pipelines to prevent leaks and wastage. Mid to Long term : Implement rainwater and air-conditioning condensate water recycling systems to reduce wastewater discharge.
	Increase in waste treatment volume / Decrease in recycling rate	1. Waste recycling and reuse: Black resin reuse program – changing from incineration treatment to recycling and reuse. 2. Recycling and reduction of packaging materials: Packaging reduction design, reduced packaging use, and PE film recycling and remanufacturing program. 3. Waste reduction at the source: Encourage employees to bring their own lunch boxes, containers, and utensils when dining in the cafeteria, and reuse office paper. 4. Proper waste treatment: Implement waste sorting to increase the recycling rate of waste.
	Water and power shortages	Power shortage: Follow government power outage and restriction grouping regulations, and request IE (Industrial Engineering) to adjust capacity to cooperate with power supply. Water shortage: 1. Adjust cooling tower drainage. 2. Reduce production equipment water usage to the minimum level. 3. Arrange water trucks to supplement water supply when needed.

1.6 Risk Management

Risk Category	Risk Description	Risk Management Strategy (Response Measures)
Sustainable Environment	Typhoons and floods	1.Preparedness (Before the Event): Upon receiving a typhoon or heavy rain warning, immediately activate the response plan. Prepare flood and typhoon prevention materials, arrange manpower and meals, and execute according to the disaster prevention operation guidelines. 2. During the Disaster: The security office monitors drainage; if necessary, open or close floodgates. Each unit strengthens inspections to ensure facility safety. Any disaster situation must be immediately reported to the emergency hotline (5699). 3. Emergency Response: Assess whether evacuation is necessary; if so, evacuate immediately. Carry out emergency rescue, material barricades, and first aid measures. Activate the Enterprise Response Plan (ERP) if the situation requires. 4. Post-Disaster Recovery: Once the warning is lifted, carry out cleaning and recovery operations. Inspect equipment and facilities to ensure safety and resume normal operations.
	Violation of environmental regulations	1.The company has been certified under the ISO 14001 Environmental Management System and continues to effectively implement ongoing improvements. An Environmental, Health, and Safety (EHS) policy has been established to ensure compliance with environmental regulatory requirements. 2. Monthly environmental meetings are held to report on key environmental issues and to review how legal requirements are being implemented, with the aim of preventing violations of environmental regulations. 3. In the event of an environmental incident, designated personnel are responsible for clarifying the on-site situation and implementing corrective measures to ensure proper resolution.
Employees	Occupational accidents (including those impacted by the COVID-19 pandemic)	1. A Safety Review Committee is formed to convene accident investigation meetings following incidents. The committee issues recommendations for corrective and preventive actions, enabling responsible units to take measures to prevent recurrence. 2. The ISO 45001 Occupational Health and Safety Management System has been introduced and certified to strengthen systematic OHS management. 3. Regular annual occupational health and safety risk assessments are conducted. For operations with unacceptable risks, further action plans are developed to mitigate hazards. 4. New processes, equipment, chemicals, and layout changes undergo a formal change management review to ensure safety compliance and risk control. 5. A contractor management system has been established. Beyond general operations, enhanced management measures are applied to high-risk activities within the facility. 6. Comprehensive training programs are implemented, including new employee onboarding, on-the-job training, certification management, emergency response drills, and evacuation drills, to minimize the occurrence of occupational accidents. 7. A chemical inventory system is in place, complemented by leak-prevention devices. Flammable chemicals are stored in fireproof cabinets. Hazard labels and Safety Data Sheets (SDS) are provided to strengthen employee awareness of chemical use. 8. A safety reporting system is established, allowing employees to promptly report safety concerns within the facility. Responsible units are required to address and implement corrective measures accordingly.
	Overwork (long working hours)	1. Working Hours Policy : Regular working hours are limited to 40 hours per week (excluding overtime). Daily working hours must not exceed 12 hours (including overtime). Employees working seven consecutive days are entitled to two rest days, one statutory day off and one additional rest day. 2. Digital Working Hours Monitoring and Early Warning System : A working hours management system has been established to automatically track working hours, issue system alerts when anomalies occur, and enable supervisors to initiate schedule adjustments in real time. 3. Shift Work Health Management Mechanism : Regular health check-ups and fatigue risk assessments are provided for night-shift and rotating-shift employees. Additional support measures, including night-shift allowances and scheduled rest periods, are implemented to reduce long-term physical strain. 4. Human Resource Allocation During Peak Periods : Based on STP manpower forecasting, working-hour risks are incorporated into project risk assessments and controls. The company adopts cross-departmental support and a multi-skilled workforce model to distribute workload pressure and reduce excessive overtime in specific teams. 5. Employee Feedback Mechanism : An annual employee satisfaction survey is conducted, serving as a reference for continuous improvement of policies and optimization of working-hour management systems.
	High turnover rate(Facing labor shortage)	1. Enhancing Compensation Competitiveness and Reward Structure : Conduct regular market salary surveys and adjust benchmarks in line with minimum wage standards to ensure overall compensation fairness. This strengthens talent stability and enhances the retention of key employees. 2. Strengthening Career Development and Promotion Pathways : Promote professional skill-based career development roadmaps to assist employees in building mid-to-long-term career plans, thereby improving organizational commitment and development momentum. 3. Employee Satisfaction Surveys and Turnover Analysis : Conduct annual company-wide employee satisfaction surveys, regularly analyze turnover reasons, and propose specific improvement actions as a basis for optimizing policies and systems. 4. Mentorship Program : To help new employees adapt and stabilize more quickly, Walton Advanced Engineering has implemented a mentorship program. Through continuous support and timely intervention, the company aims to reduce early turnover rates. 5. Mid-to-Long-Term Talent Pipeline and Industry-Academia Collaboration : Continue to expand collaboration with universities and colleges, establish internship programs, and strengthen the company's talent supply capacity for future growth.

1.6 Risk Management

Risk Category	Risk Description	Risk Management Strategy (Response Measures)
Operational Performance	Ethical integrity risks	1. Formulation of Integrity Management Policies and Codes of Conduct The Company has promulgated the RBA Anti-Corruption and Information Disclosure Management Procedure and the Corporate Integrity Management Code of Conduct and Operating Procedures, which clearly stipulate the behavioral norms to be observed by all employees and stakeholders. These include principles of anti-corruption, prohibition of bribery, information disclosure, and fair trade. 2. Internal Control System and Audit Supervision Mechanism The Audit Office operates independently and conducts regular inspections of the internal control implementation in units with high integrity risk, ensuring the system operates effectively and is continuously improved. 3. Education, Training, and Managerial Advocacy All new employees are required to complete integrity management training courses, while all employees must undergo annual retraining. These measures are designed to strengthen employees' awareness of risks and provide behavioral guidance in their daily work. 4. Establishment of Complaint and Whistleblowing Channels The Company provides an anonymous and confidential complaint and whistleblowing platform, managed by the Administration Department. Clear rules are established to protect whistleblowers and define investigation procedures, thereby preventing retaliation and undue pressure.
	Lack of transparency in information disclosure	Continuously strengthening corporate governance, establishing a sound information disclosure mechanism, enhancing the timeliness and completeness of financial reports and material information, improving the quality of disclosures in the company's website IR section, and holding regular investor conferences.
	Cybersecurity incident occurred	1. Established an Information Security Management Committee, chaired by the General Manager, with the IT Department assisting in executing directives. Regular monthly meetings are held to review the company's information security protection status. 2. Implemented and certified ISO 27001 Information Security Management System to ensure compliance with international standards. 3. Conducts annual information security risk assessments and develops improvement plans targeting high-risk security items. 4. Implements annual information security incident reporting and drills to strengthen emergency response capabilities. 5. Performs regular internal security audits (monthly) to examine the effectiveness of information security management measures. 6. Conducts cross-departmental security audits (quarterly), involving different departments or external experts for independent verification.
	Product Liability(Facing Recall/Removal)	1. Strengthen product quality control and customer communication mechanisms to ensure consistent product reliability and enhance customer trust. 2. Monitor hazardous substance process management systems, collect updates on international regulations and specific customer requirements, define hazardous substance policies, and comprehensively communicate them to suppliers to achieve a complete ban on hazardous substances. 3. Internalize customer-specific technical requirements into internal company documents to ensure all manufactured products comply with customer specifications. 4. Define abnormal handling and defective product procedures; when any abnormality is detected, immediately convene a meeting and notify the customer to minimize potential impacts.
	Supply chain disruptions	1. Short-term Contingency Measures: : -Conduct inventory checks and align production schedules with customer demand, prioritizing key customer products. -Urgently activate second-source suppliers or seek alternative materials. -Coordinate with customers to consolidate resources and initiate material allocation. -Borrow materials from peer companies when necessary. 2. Mid-to-Long-Term Risk Management: : -Introduce a dual-supplier strategy during the early development of critical materials and complete necessary certifications. -Diversify supplier locations to avoid concentration in a single country or region. -Optimize inventory levels of key materials to enhance supply resilience. -Proactively build safety stock when the supply market is unstable to prevent extended lead times from impacting material delivery.

1.7 Internal Audit

To ensure that the Company's business operations comply with regulatory requirements and internal control standards, while upholding the spirit of corporate sustainability governance, this year's internal audit plan was developed based on a risk-oriented approach. The audit focused on departments with higher potential risks, conducting systematic and in-depth examinations to enhance the overall efficiency and transparency of Company operations.

Key Audit Items	Content
Regulatory Compliance	Verify whether business operations comply with legal and regulatory requirements
Derivatives Trading	Examine the processes and risk control mechanisms of derivative financial product transactions
Loans and Guarantees	Audit the legality and contract management of loans and external guarantees
Shareholder Services	Review procedures related to shareholders' meetings, dividend distribution, and compliance with regulations/internal controls.
Board of Directors Operations	Evaluate board procedures, fairness, and information disclosure
Audit Committee Operations	Confirm whether supervisory responsibilities over financial reports and internal controls are effectively implemented
Compensation Committee Operations	Audit the rationality and transparency of executive compensation systems
Sales Cycle	Review control activities and risk management across order-taking, shipping, and collection
Procurement Cycle	Verify whether procurement processes are competitive, fair, and subject to adequate review mechanisms
Information Security Review	Inspect information security policies, system protections, and disaster recovery mechanisms
IT and Information Control Operations	Audit access controls and data integrity within enterprise information systems

2024 Implementation Audit Project

51 items

Audit compliance rate

98%

Improve completion rate

100%

Internal
Audit
Process

Drafting annual audit plan

Submit to the Audit Committee and the Board of Directors for review

Planning and execution of audit work

Audit result report transmission Audited department

Attach relevant documents
Prepare audit report

Communicate audit results to the audited department and provide improvement suggestions

Report statements to track

Regularly report audit work and implementation status to senior management, the audit committee and the board of directors

Sustainable Environment

02

2.1 Emissions

2.2 Energy

2.3 Waste Management

2.4 Water and Effluents

Annual Reduction Rate of GHG
Emission Intensity

(with 2021 carbon inventory as the baseline
year)

13.6%

Cumulative electricity saving in 2024
(based on 2021 as the baseline = 190 million
kWh)

19 million
kWh

Water saving ratio in 2024

(Using total water consumption in 2021
as the baseline)

24%

Waste recycling rate

31%

Environmental protection law violation

0件



2.1 Emissions

With the growing severity of climate change, reducing greenhouse gas (GHG) emissions has become a shared responsibility for enterprises worldwide. GHG emissions not only reflect a company's environmental footprint but also directly affect customer supply chain management requirements, domestic and international carbon inventory regulations, and upcoming carbon taxation mechanisms. Walton Advanced Engineering is committed to reducing both direct and indirect carbon emissions through enhancing energy efficiency, optimizing manufacturing processes, and introducing renewable energy, while complying with government regulations and international initiatives. By doing so, we actively pursue low-carbon transformation and strengthen our long-term sustainability and competitiveness.



Policy & Commitments

Walton conducts full GHG inventory and disclosure following ISO 14064 and relevant regulations. Committed to energy efficiency and carbon reduction, the company sets targets, upgrades equipment, adopts alternative energy, and participates in low-carbon initiatives, working toward its long-term net-zero carbon goal.

Short-term Goals

- Establish a carbon inventory system and complete ISO 14064 certification.
- Fully disclose Scope 1 and Scope 2 carbon emission data.
- Build solar power generation for self-consumption and increase the use of renewable energy.
- Reduce carbon intensity by more than 10% (based on 2021 as the baseline year).

Mid- to Long-term Goals

- Complete the preliminary survey of Scope 3 (supply chain carbon footprint).
- Convert more than 30% of electricity consumption to green power (renewable energy).
- Reduce carbon intensity by more than 90% (based on 2021 as the baseline year).
- Achieve a long-term net-zero carbon pathway and progress toward SBTi certification.

Evaluation Mechanism

External audits are conducted through third-party verification to review on-site emissions and reduction effectiveness, such as ISO 14064, ISO 14001, and ISO 50001 certifications.

Internal reviews are carried out by holding regular ESG meetings with senior management to examine carbon intensity and reduction performance.

Resources Invested

1. Walton Advanced Engineering has launched the ISO 14064-1 greenhouse gas inventory initiative and engaged a third-party verification body to ensure credibility and transparency. A year-on-year database has been established to effectively manage and track the company's overall greenhouse gas emissions.
2. The company invested NT\$70 million in the procurement of green electricity and NT\$290 million in the installation of solar panels, thereby accelerating the adoption of renewable energy. These initiatives not only support the greening of electricity consumption but also contribute to carbon neutrality through offsetting mechanisms.
3. A total of NT\$340 million was invested to replace high-energy-consuming equipment (such as chillers and dryers). This upgrade has significantly improved energy efficiency, thereby reducing overall electricity consumption and lowering carbon emissions.

Specific outputs

1. Walton Advanced Engineering has completed the ISO 14064 greenhouse gas inventory, and the results have been independently verified through third-party audits in accordance with ISO 14064 and ISO 50001 standards.
 2. In 2024, the company transferred 1.13 million kWh of green power and generated 540,000 kWh through solar power installations. In total, Walton obtained 1,670 Green Power Certificates, demonstrating its commitment to renewable energy adoption.
 3. In 2024, the annual reduction rate of greenhouse gas (GHG) emission intensity reached 14% compared to 2023. Relative to the baseline year 2021, the company has achieved a cumulative reduction of 17% in Scope 1 and Scope 2 emissions.
- Note1 : Baseline Year (2021): Scope 1 + Scope 2 total emissions = 101,268 tCO₂e
- Note2 : Emission Intensity Formula: (tCO₂e / NT\$ thousand revenue)

2.1.1 Carbon Emission Information

Direct (Scope 1) Greenhouse Gas Emissions

Walton Advanced Engineering (WAE) follows ISO 14064-1 verification standards, with organizational boundaries defined based on the operational control approach. In 2023, the verification covered Scope 1, Scope 2, and Scope 3 emissions. Scope 1 emissions amounted to 520 metric tons of CO₂e, primarily from hydrofluorocarbons (HFCs) generated by refrigerant usage. Scope 2 emissions amounted to 76,615 metric tons of CO₂e, with all emissions originating from purchased electricity. To enhance the completeness of GHG inventory, Scope 3 emissions were assessed in accordance with the Greenhouse Gas Protocol (GHG Protocol) and verified by an external third party. Within Scope 3 categories, six items were inventoried. The top three sources of emissions were: Fuel- and energy-related activities, Use of sold products, employee commuting. From 2023 to 2024, due to the replacement of four chiller units, the disposal of refrigerants increased significantly. As a result, emissions under Scope 1 (Category 1) increased by 39% in 2024.

Data	2022	2023	2024
	tCO ₂ e	tCO ₂ e	tCO ₂ e
Total Scope 1 Emissions	2,053.56	520.4332	3,934.95

Energy Indirect (Scope 2) Greenhouse Gas Emissions

During 2022–2024, the consumption of purchased electricity decreased in 2023 and 2024 compared with 2021–2022. This reduction was primarily due to the implementation of multiple energy-saving measures within the plants and the introduction of green energy sources (including on-site solar power generation and wind power procurement), which effectively reduced carbon emissions.

Data	2022	2023	2024
	tCO ₂ e	tCO ₂ e	tCO ₂ e
Total Scope 2 Emissions	99,172.93	76,614.98	78,040.91

Note 1: As the 2021 electricity emission factor had not been published at the time of compiling this report, the 2020 electricity emission factor was used for calculation, set at 0.502 kg CO₂e/kWh.

Other Indirect (Scope 3) Greenhouse Gas Emissions

Due to differences in statistical methodologies used in 2021 and 2022, adjustments were made in 2023, which resulted in a significant decline in Scope 3 emissions in both 2023 and 2024.

Data	2022	2023	2024
	tCO ₂ e	tCO ₂ e	tCO ₂ e
Total Scope 3 Emissions	166,231.94	17,079.67	18,419.71

Greenhouse Gas Emission Intensity

From 2022 to 2024, the greenhouse gas emission intensity showed a decline, primarily due to reduced purchased electricity consumption, the implementation of multiple energy-saving measures within the facilities, and the increased use of renewable energy (including on-site solar generation and wind power procurement).

In addition, due to differences in statistical methodologies in 2022, adjustments were made in 2023, which led to a significant reduction in Scope 3 emissions in both 2023 and 2024. Overall, the variation in greenhouse gas emission intensity during 2022–2024 remained relatively small.

Unit : tCO₂e ; NT\$ in Thousands

Year	Total Emissions (Scope 1+2+3)	Total Revenue	GHG Emission Intensity
2022	267,458.42	5,957,968	0.0449
2023	94,215.09	4,043,363	0.0233
2024	100,380.99	5,009,366	0.0200

Note : The total energy consumption (denominator) can be replaced with production volume, floor area, number of full-time employees, and their corresponding units. However, the standard adopted must be consistent with 302-3 Energy Intensity.

Unit : tCO₂e ; NT\$ in Thousands

Year	Total Emissions (Scope 1+2)	Total Revenue	GHG Emission Intensity
2022	101,226.48	5,957,968	0.0170
2023	77,135.42	4,043,363	0.0191
2024	81,975.86	5,009,366	0.0164

Note : The total energy consumption (denominator) can be replaced with production volume, floor area, number of full-time employees, and their corresponding units. However, the standard adopted must be consistent with 302-3 Energy Intensity.

Greenhouse Gas (GHG) Emission Reduction

Unit : tCO₂e

Year	Total Emissions Note1	Total Emission Reduction Note2
2022	267,458.42	(50,256.15)
2023	94,215.09	173,243.34
2024	100,380.99	(6,165.91)

Note1 : From 2021 to 2024, the greenhouse gas (GHG) emission intensity decreased primarily due to a reduction in purchased electricity consumption, the implementation of multiple energy-saving measures within the plants, and the adoption of renewable energy sources such as self-generated solar power and wind power transfer. In addition, differences in statistical methodologies used in 2021 and 2022 were corrected in 2023, which resulted in a significant decrease in Scope 3 emissions in 2023 and 2024.

Note2 : Total Emissions = Scope 1+2+3

Ozone-Depleting Substances (ODS)

Walton Advanced Engineering currently has no disclosure regarding ozone-depleting substances emissions due to the nature of the industry.

Nitrogen Oxides (NO_x), Sulfur Oxides (SO_x), and Other Significant Air Emissions

Walton's major air pollutant emissions are Volatile Organic Compounds (VOCs). The exhaust gases are collected through sealed pipelines and treated via wet scrubbers. In 2024, emissions decreased by 2.01 metric tons compared to 2023, mainly due to the improved efficiency of wet scrubbers, which reduced overall emissions.

Unit : tCO₂e

Year	VOCs	SO _x	POPs	NO _x	HAPs	PM
2022	4.64	Due to the nature of the industry, Walton does not have relevant monitoring information for the above five categories.				
2023	8.50					
2024	6.49					

Note :

1. Walton only monitors regulated substances, specifically Volatile Organic Compounds (VOCs).
2. All emission levels comply with local regulatory standards.
3. The calculation of Volatile Organic Compounds (VOCs) is based on measured test values and reported in accordance with local regulations.

2.2 Energy

Energy, for Walton Advanced Engineering, is not only a critical resource for operations but also a key driving force in advancing the intelligent transformation of the manufacturing industry.

Through the efficient use and management of energy, the Company continuously achieves digitalization, intelligence, and automation in its production processes. This not only enhances production efficiency and product quality but also strengthens market competitiveness while supporting long-term sustainability goals.

Policy & Commitments

Replace outdated equipment with advanced energy-saving devices, such as low-energy-consumption equipment, to reduce energy usage. Equipment may be upgraded periodically to ensure energy use meets the latest efficiency standards.

Mid- to Long-term Goals

Improve energy efficiency by integrating energy-saving equipment with smart controls, evaluating equipment replacement and technology upgrades, and conducting regular reviews and refinements of energy-saving performance.

Short-term Goals

Reduce electricity consumption by 3% annually (with 2021 as the baseline year = 190 million kWh).

Evaluation Mechanism

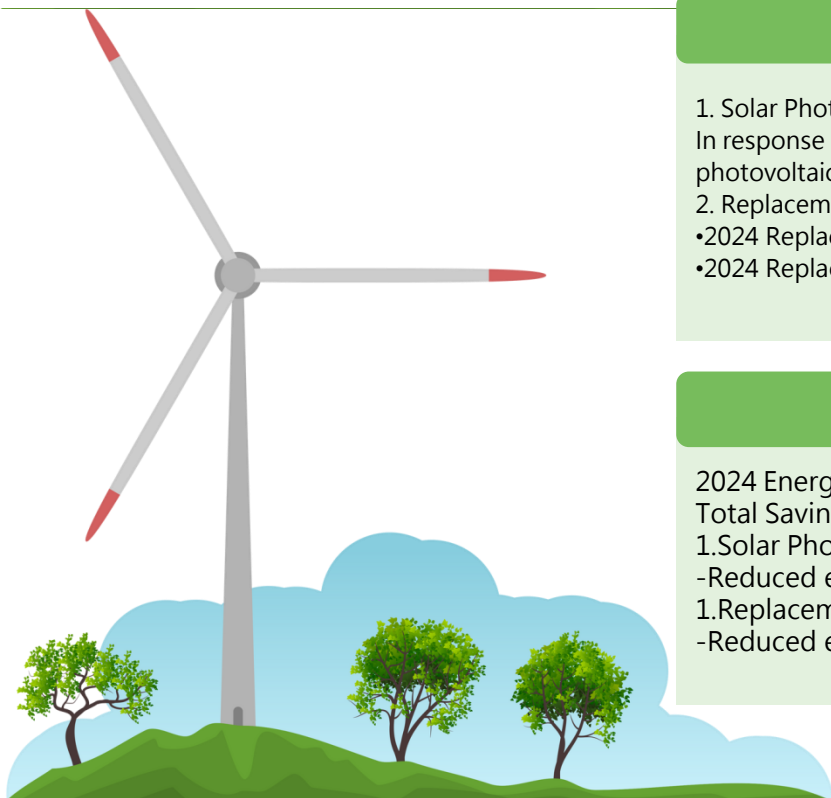
1. Hold regular meetings to review the achievement rate of energy-saving projects.
2. Conduct ISO 50001 internal audits to review project indicators.

Resources Invested

1. Solar Photovoltaic System
In response to energy-saving measures, the company utilized idle open areas in the factory to install a solar photovoltaic system with a total capacity of 575 kWp.
2. Replacement of High-Efficiency Chillers and Dryers
 - 2024 Replacement of 2 chillers-Investment Cost: NT\$22.57 million
 - 2024 Replacement of 6 dryers-Investment Cost: NT\$11.07 million

Specific outputs

- 2024 Energy-Saving Results (compared with 2023)
Total Savings: ~2.81 million kWh/year
- 1.Solar Photovoltaic System
 - Reduced external power consumption from Taipower by 540,000 kWh/year.
 - 1.Replacement of High-Efficiency Chillers and Dryers
 - Reduced external power consumption from Taipower by 2.27 million kWh/year.



2.2.1 Energy-Related Information

Internal Energy Consumption

Walton Advanced Technology continues to promote energy-saving and carbon-reduction initiatives by implementing the ISO 50001 Energy Management System, which enhances energy efficiency through systematic energy control. The Company has optimized production scheduling to reduce process energy consumption and actively replaced high-energy-consuming facilities such as chillers, air compression systems, and dryers. In addition, variable-frequency air compressors and high-efficiency cooling tower fan blades have been adopted to further lower operational energy consumption.

The Company has also promoted on-site solar power generation for self-consumption and improved the performance of outdoor air handling units to reduce motor operating frequency, thereby enhancing overall energy efficiency, reducing carbon emissions, and fulfilling its commitment to sustainable operations. From 2021 to 2024, total internal energy consumption decreased in 2023 and 2024 compared to 2021–2022. This was primarily due to the implementation of multiple energy-saving and carbon-reduction measures, including:

Energy Conservation and Carbon Reduction Measures

1. Implement ISO 50001 energy management system for energy control.
2. Optimize production scheduling to reduce process energy consumption.
3. Replace high-energy-consuming plant equipment (e.g., chiller units, air compressors).
4. Install solar panels for self-generation and self-consumption.
5. Replace air compressor system dryers.
6. Upgrade air compressors to variable frequency drive (VFD) units.
7. Replace cooling tower fans with high-efficiency fan blades.
8. Improve the efficiency of fresh air HVAC units by reducing motor operating frequency.

Unit: GJ

Data	2022	2023	2024
Purchased Electricity	721,257.65	558,327.82	592,715.76
Gasoline for Vehicles	551.38	497.43	487.14
Diesel (Generators, Forklifts, Trucks)	1,441.08	1,467.56	1,292.68
Total Internal Energy Consumption	723,250.11	560,292.81	594,495.57

Energy Intensity

Unit: GJ; NT\$ in Thousands

Year	Total Energy Consumption	Total Revenue	Energy Intensity
2022	723,250.11	5,957,968	0.1214
2023	560,292.81	4,043,363	0.1386
2024	594,495.57	5,009,366	0.1187

Note: The denominator of total energy consumption can be replaced with production output, floor area, or the number of full-time employees and their corresponding units. However, the adopted standard must remain consistent with GRI 305-4 Greenhouse Gas Emissions Intensity.

Reduction of Energy Consumption

Unit : GJ

Year	Total Energy Consumption	Total Energy Saved
2022	723,250.11	-15,355.18
2023	560,292.81	162,957.30
2024	594,495.57	-34,202.76

Energy-Saving Measures

1. Replacement of adsorption dryers with heated dryers
2. Reduction of motor operating frequency for outdoor air handling units
3. Deactivation of heaters and humidifiers in outdoor air handling units

Energy Intensity

The primary direct energy used by Walton is electricity. The electricity consumption of each plant from 2022 to 2024 is shown in the table below.

Factory	Unit:kWh		
	2022	2023	2024
B10	104,104,400	79,661,600	81,764,800
B15	58,916,400	36,338,000	39,455,954
A15	39,635,200	41,592,800	44,560,349
Total	202,656,000	157,592,400	165,781,102

Power Saving	2022	2023	2024
Electricity Consumption Before Implementation, kWh	211,863,990	174,443,409	168,057,832
Electricity Consumption After Implementation, kWh	202,656,000	157,592,400	165,781,102
Annual Electricity Saved (kWh)	9,207,990	16,851,009	2,276,730
Energy Saving Percentage (%)	4.54%	10.69%	1.37%

Cost Savings after Energy-Saving Measures (NTD thousands)

Air Conditioner	16,289	15,931	2,794
Electricity	4,109	14,100	6,563
Process Electricity	3,574	9,400	0

Power Saving Measures

1. Replacement of Adsorption Dryer with Heated Dryer
2. Reduction of Fresh Air Handling Unit Motor Operating Frequency
- 3.Shutdown of Fresh Air Handling Unit Heaters and Humidifiers

Water Saving	2022	2023	2024
Water Consumption Before Implementation(M ³)	1,385,145	1,041,648	1,194,794
Water Consumption After Implementation(M ³)	1,218,706	895,508	1,039,581
Total Annual Water Savings(M ³)	166439	146140	155213
Water-Saving Rate(%)	13.66%	16.32%	14.93%
Cost Savings after Energy-Saving Measures (NTD thousands)	4327	3800	4036

Water Saving Measures

- 1.Installation of Additional Pump for Cooling Water in B10 Plant to Increase Recycled Water Volume
2. Increase in Soft Water Regeneration Capacity
3. Repair of Process Recycled Water System at B10-B1F, Reducing M/B Regeneration Frequency
4. Use of RO Recycled Water for Cooling Tower Operations

2.3 Waste Management

2.3.1 Waste-Related Information

Effective waste management is a core component of corporate environmental sustainability responsibility. Walton Advanced Engineering (Walton) recognizes that if waste generated from production activities is not properly managed, it may cause environmental pollution and risks, further impacting corporate reputation and regulatory compliance. Therefore, the company is committed to reduction, classification, reuse, and recycling, with the goal of improving resource utilization efficiency, reducing waste generation and disposal costs, and realizing green manufacturing and circular economy objectives.

Policy & Commitments	•Comply with the Waste Disposal Act, other environmental regulations, and customer environmental standards. •Establish clear waste classification and labeling systems to implement source reduction and resource recycling. •Cooperate with certified waste treatment vendors to ensure proper collection and environmentally sound disposal. •Conduct regular waste inventory and reporting to enhance management transparency. •Educate employees on proper waste sorting and handling to strengthen environmental awareness. •Promote production process improvements and yield optimization to reduce product scrap.
Short-term Goals	• Achieve a 5% annual reduction in total packaging waste (baseline: 2021). • Increase the recycling and reuse rate by at least 5%.
Mid- to Long-term Goals	•Waste-to-Energy (WTE) Initiative-Identify high calorific-value waste and entrust treatment vendors to convert it into solid alternative fuel. •Maintain zero violations of waste reporting regulations by properly declaring waste flows and preserving reporting records. •Reduce general waste by eliminating disposable tableware in employee cafeterias and promoting paper reuse in offices.
Evaluation Mechanism	•Conduct monthly statistics on total waste, waste volume, and recycled volume. •Conduct monthly statistics on total waste, waste volume, and recycled volume. •Conduct regular internal audits under ISO 14001 to ensure effective waste management practices.

Resources Invested
1.2024 Waste Resource Recycling Project -NT\$245,900 / 7 participants 2.2024 Black Glue Reuse Project - NT\$163,072 / 5 participants
Specific outputs
1.In 2024, a total of 35.5 tons of waste resources were recycled, with processing procedures fully compliant with regulations and traceable. 2.In 2024, a total of 31.4 tons of black glue were reused, with processing procedures fully compliant with regulations and traceable.

At Walton Advanced Engineering, approximately 90% of waste generated belongs to general industrial waste. The primary sources include discarded packaging materials, pallets, cardboard boxes from warehouse operations, and domestic waste from offices, cafeterias, and restrooms.

- Non-recyclable general industrial waste is incinerated by qualified waste disposal vendors entrusted by the Industrial Development Bureau, Kaohsiung-Pingtung Branch, Ministry of Economic Affairs.
- Recyclable general industrial waste is cleared and treated by authorized recycling vendors.

For hazardous industrial waste, the main sources are defective or expired electronic products generated during production:

- Non-recyclable hazardous waste is incinerated by Class A certified waste disposal contractors.
- Recyclable hazardous waste is treated by Class A certified contractors using physical processing methods.

Challenges in Waste Management

- 1.Foam packaging materials accompanying incoming goods pose a treatment challenge, as downstream recyclers lack sufficient processing capacity. Due to their light weight and large volume, recycling efficiency remains limited.
- 2.Stricter waste regulations now prohibit open-air storage of waste, regardless of whether it contains hazardous substances. This creates storage space shortages, increases removal frequency, and contradicts energy-saving and carbon reduction goals.
- 3.Due to customer information security requirements, certain waste materials with potential recycling value must still be incinerated, thereby limiting overall recycling rates.

Management of Significant Impacts Related to Waste

Walton Advanced Engineering (WAE) entrusts certified waste collection and disposal contractors, managed and monitored through contractual agreements. Each contract must include:

Company registration certificate / Waste collection permit/ Waste treatment/disposal permit.

In addition, all contractor vehicles must be equipped with GPS tracking systems to ensure traceability during transportation. Waste collection and acceptance are monitored using a three-copy waste manifest system, enabling systematic tracking and data management.

Once a year

Hazardous waste and scrap materials (obsolete stock) disposal contractors.

Once every two years

General waste disposal contractors.

Audit Methods

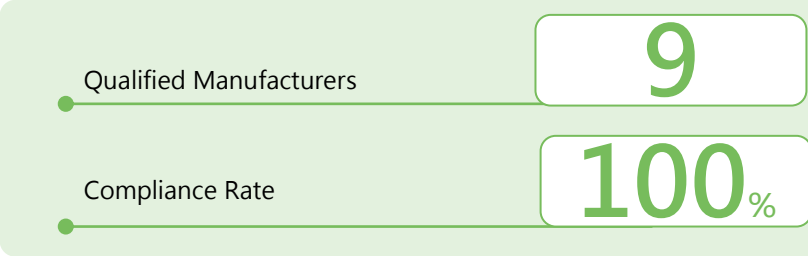
1.Implemented through on-site inspections and waste collection ride-alongs.

2.Audits conducted by Walton Advanced Engineering (WAE) or recognized third-party auditors.

3.The audit process requires photographic evidence and completion of a waste contractor checklist.

4.Contractors scoring below 80 points will not be permitted to handle WAE’ s waste disposal.

5.Non-conformities identified will be tracked and managed according to WAE’ s Corrective and Preventive Action (CAPA) procedures.



Waste Generation and Treatment Principles

Walton prioritizes recycling and reuse in the treatment of industrial waste. Incineration or landfill disposal is considered only as the final option when recycling or reuse is not feasible. This approach minimizes environmental impact, improves resource efficiency, and supports the goals of circular economy and sustainable development.

2022

Promoted pallet and Styrofoam recycling programs, achieving a 5.5% increase in recycling rate in 2024 compared with the previous year.

2023

Planned and executed black epoxy resin recycling from packaging processes, raising the overall recycling rate to 30.6%.

2024

Starting in Q4, shifted waste packaging treatment from incineration to recycling of recoverable portions, with an expected additional 10% increase in recycling rate.

Metric Ton	Waste Item	2022	2023	2024	Treatment	Departure/o n-site processing
Hazardous Industrial Waste	Ink Die Scrap	24.24	23.28	20.88	Physics	Departure
	Scrap IC	7.41	5.79	7.51	Physics	Departure
	Subtotal	31.65	29.07	28.39	-	-
General Industrial Waste	Domestic Waste	473.00	428.28	290.23	Incineration	Departure
	Discarded Packaging	12.94	100.00	34.59	Incineration	Departure
	Scrap Materials	5.42	7.50	6.92	Reuse	Departure
		109.30	24.83	22.23	Incineration	Departure
	Styrofoam	4.87	2.19	2.57	Reuse	Departure
	Pallets	21.92	22.21	20.50	Reuse	Departure
	Pallets	0.00	10.83	10.26	Reuse	on-site
	Epoxy Resin	0.00	0.00	0.00	Incineration	Departure
	Epoxy Resin	0.00	19.36	31.36	Reuse	Departure
	Waste Paper	24.08	21.22	64.20	Reuse	Departure
	Waste Plastics	0.00	0.00	21.56	Reuse	Departure
	Subtotal	651.53	636.42	504.42	-	-
Total		683.18	665.49	532.81	-	-

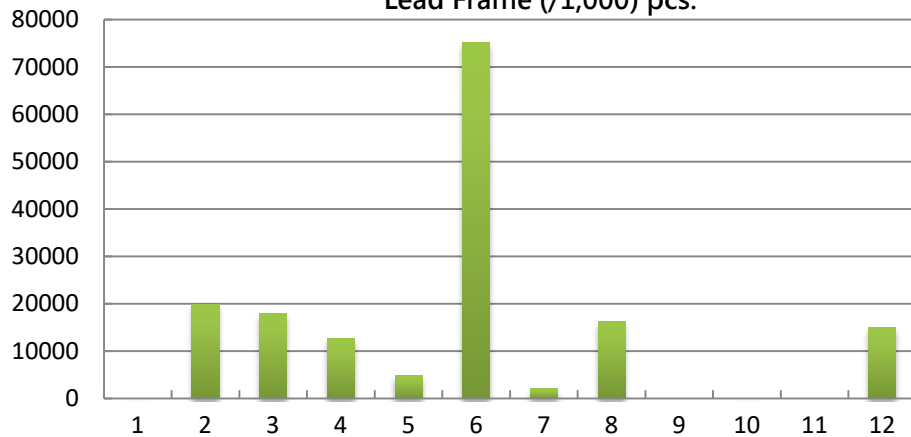
Raw Material Consumption

The primary raw materials used by Walton Advanced Engineering include lead frames, substrates, solder balls, and compounds, which are the four major categories essential to the semiconductor memory IC packaging and testing process. These materials play a critical role in ensuring product quality and yield performance.

For 2024, the monthly consumption of each category has been fully recorded and presented in charts to illustrate usage trends. This data serves as an important reference for future procurement planning, inventory control, and resource efficiency management.

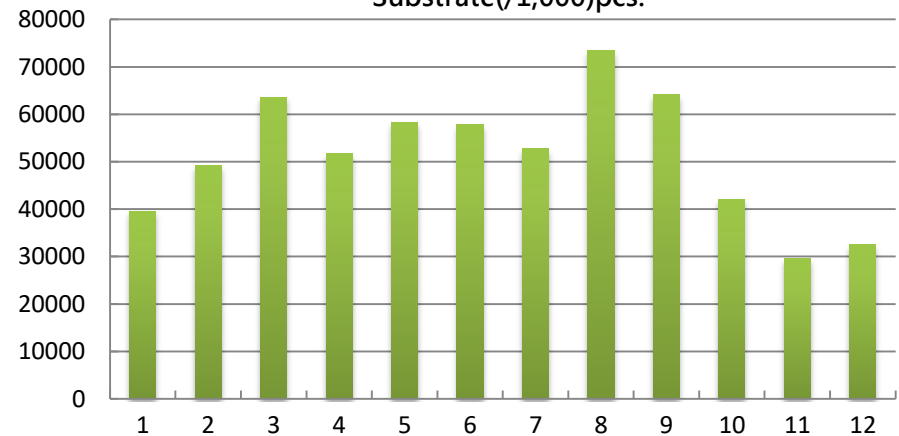
Raw Material Usage Statistics(Lead Frame)

Lead Frame (/1,000) pcs.



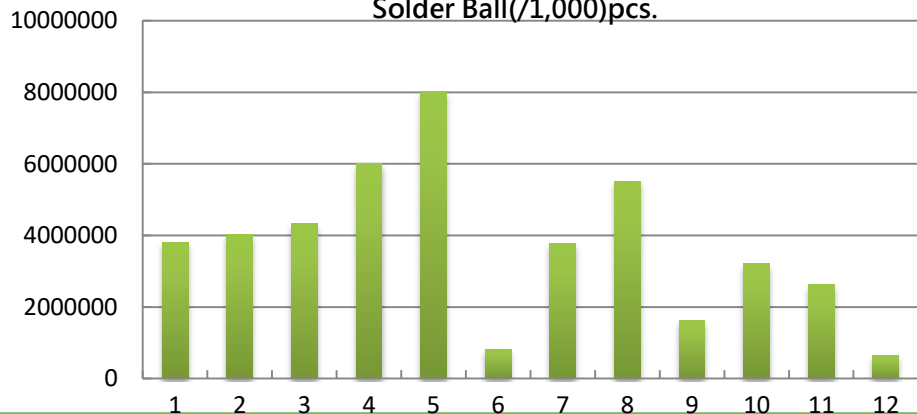
Raw Material Usage Statistics(Substrate)

Substrate(/1,000)pcs.



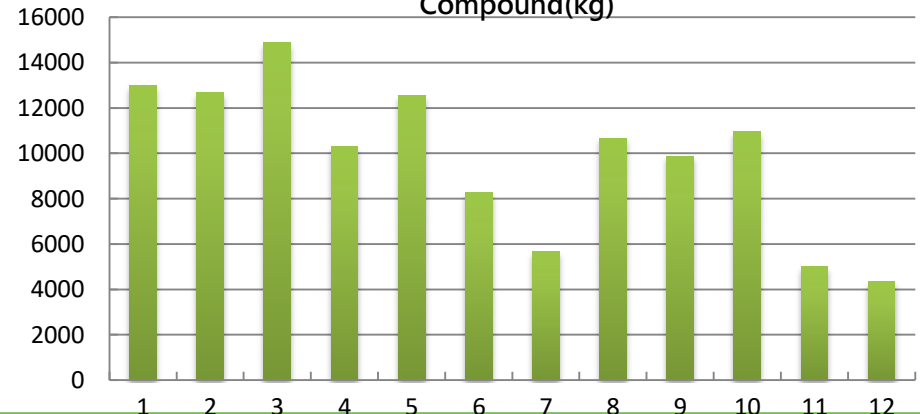
Raw Material Usage Statistics(Solder Ball)

Solder Ball(/1,000)pcs.



Raw Material Usage Statistics(Compound)

Compound(kg)



2.4 Water and Effluents

2.4.1 Water Resources Information

Walton Advanced Engineering places great importance on the sustainable use of water resources. At every stage of the plant's production processes and daily operations, water resources are required. The company adopts a comprehensive tap water supply system, without involving the extraction of groundwater or well water.

Through proper management and water-saving measures, Walton ensures that its water usage does not have an adverse impact on local water resources and the surrounding environment, thereby demonstrating its strong commitment to environmental responsibility.

Policy & Commitments	Walton Advanced Engineering is committed to actively seeking diverse water sourcing solutions and implementing effective water-saving management practices. These efforts strengthen the company's adaptability to environmental changes and mitigate operational risks.
Short-term Goals	Approx. 80 tons/day: Developed a process to recycle wastewater with conductivity below 100 $\mu\text{S}/\text{cm}$ from ultrapure water rinsing. The reclaimed water is fed into the MB (Mixed Bed) system for purification, producing ultrapure water with resistivity above 8 $\text{M}\Omega/\text{cm}$ for reuse.
Mid- to Long-term Goals	Approx. 150 tons/day Planned Measures: -Install individual flow meters on equipment to monitor water usage at the unit level. -Incorporate daily reporting to cross-check production capacity and actual water consumption, ensuring reasonableness. -Establish water consumption targets per production capacity to avoid waste.
Evaluation Mechanism	Perform daily reviews of flow meter records for monitoring and control.

Resources Invested

1. Cutting Wastewater Recovery (since June 2006): One 180 CMD MB mixed-bed system installed, reclaiming wastewater below 100 $\mu\text{S}/\text{cm}$ from cutting processes for purification and reuse.
2. Condensate Recovery (since June 2006): Previously discharged condensate water is now routed to the MB system for purification and reuse.

Specific outputs

Cutting Wastewater Recovery: ~80 tons/day
Condensate Recovery: ~72 tons/day

Water is a fundamental resource for semiconductor manufacturing, and Walton Advanced Engineering fully recognizes the close interconnection between its operations and regional water resources. We are committed to responsible water intake, usage, and discharge practices, while also reducing pressure on water resources in the Kaohsiung area. At the same time, we continuously enhance water reuse efficiency and promote transparency in information disclosure. By collaborating with stakeholders, we work together to achieve sustainable water management goals.

Shared Impacts of Water Resources

- Shared Impacts of Water Resources : Walton primarily relies on municipal water for wafer cleaning, back-end processes, and laboratory equipment. In addition, water recycling and reuse systems are implemented, including reclaimed ultrapure water tanks and cooling water circulation.
- Regional Water Stress : The facilities are located in the Kaohsiung Qianzhen Technology Industrial Park and supplied by the Fengshan Water Treatment Plant. The region faces dual challenges of heavy runoff during the rainy season and water shortages during the dry season.
- Discharge : Process ultrapure water and cooling tower drainage are treated on-site before being discharged to the Zhongzhou Wastewater Treatment Plant.
- Indirect Supply Chain Impacts : Suppliers' production-related water use extends indirect water stress to the broader Kaohsiung metropolitan area and upstream water sources.

Water Impact Identification Method

- Scope of Assessment : The evaluation covers the Kaohsiung Qianzhen plant and back-end assembly and testing facilities.
- Identification Method : Each quarter, high-risk periods such as the dry season and typhoon season are closely monitored, and corresponding water risk assessments are conducted.

Solutions and Stakeholder Collaboration

- Enhance water conservation and reuse efficiency by adopting circulation and reuse systems in cooling towers and water tanks.
- Promote awareness campaigns to encourage employees to propose water-saving improvement initiatives.
- Regularly disclose plant water consumption, water recycling rates, and runoff discharge volumes, subject to oversight by local government and community stakeholders.

Water Target-Setting Methodology and Governance Framework

- Principles and Basis : Targets are established based on the WRI Aqueduct water risk assessment tool and the Kaohsiung City Water Resource Allocation Guidelines, identifying Qianzhen District as a priority site under high water stress.
- Key Indicators :
 - Annual reduction of ultrapure water and cooling water consumption by 1%.
 - Achieve a $\geq 60\%$ water reuse rate within five years.
 - Top three high-water-consuming suppliers to meet a water-saving KPI of $\geq 5\%$.
- Governance Framework : The Sustainability Development Committee reviews water management targets and implementation status semi-annually. Performance is disclosed in the company's ESG Annual Report and is subject to supervision by government authorities and the local community.

Management of Drainage-Related Impacts

All wastewater discharged from the company's plants is subject to monitoring and testing. The wastewater is tested separately at the B10, B15, and A15 facilities, and the results from 2021 to 2024 consistently complied with regulatory discharge standards.

Unit : mg/L

B10	pH Value	Discharge Standard	TSS	Discharge Standard	BOD	Discharge Standard	COD	Discharge Standard
2022	7.60	6~9	17.40	450	Not detected	450	5.00	600
2023	7.70	6~9	5.80	450	Not detected	450	6.30	600
2024	6.80	6~9	12.80	450	Not detected	450	<10	600

Unit : mg/L

B15	pH Value	Discharge Standard	TSS	Discharge Standard	BOD	Discharge Standard	COD	Discharge Standard
2022	8.60	6~9	13.30	450	Not detected	450	8.80	600
2023	6.70	6~9	10.10	450	Not detected	450	7.10	600
2024	7.90	6~9	6.00	450	Not detected	450	<10	600

Unit : mg/L

A15	pH Value	Discharge Standard	TSS	Discharge Standard	BOD	Discharge Standard	COD	Discharge Standard
2022	6.70	6~9	<2.5	450	Not detected	450	19.50	600
2023	6.70	6~9	<2.5	450	Not detected	450	14.70	600
2024	7.70	6~9	<2.5	450	Not detected	450	10.40	600

Water Withdrawal ・ Water Discharge ・ Water Consumption

Water Withdrawal	Type of Water Withdrawal	Site	Water Withdrawal by Site	Water Withdrawal from Areas with Water Stress	Total Water Withdrawal
2022	Water Supplied by Third Parties	B10	568.461	Non-Stressed Water Source Withdrawal	1,218.706
	Water Supplied by Third Parties	B15	587.948	Non-Stressed Water Source Withdrawal	
	Water Supplied by Third Parties	A15	62.297	Non-Stressed Water Source Withdrawal	
2023	Water Supplied by Third Parties	B10	425.589	Non-Stressed Water Source Withdrawal	895.508
	Water Supplied by Third Parties	B15	415.843	Non-Stressed Water Source Withdrawal	
	Water Supplied by Third Parties	A15	54.076	Non-Stressed Water Source Withdrawal	
2024	Water Supplied by Third Parties	B10	463.602	Non-Stressed Water Source Withdrawal	1,039.581
	Water Supplied by Third Parties	B15	518.491	Non-Stressed Water Source Withdrawal	
	Water Supplied by Third Parties	A15	57.488	Non-Stressed Water Source Withdrawal	

Water Discharge	Discharge Location	Site	Water Discharge by Site	Total Water Discharge
2022	Industrial Zone Piped Discharge	B10	405.708	995.679
	Industrial Zone Piped Discharge	B15	553.975	
	Industrial Zone Piped Discharge	A15	35.996	
2023	Industrial Zone Piped Discharge	B10	283.048	690.430
	Industrial Zone Piped Discharge	B15	353.939	
	Industrial Zone Piped Discharge	A15	53.443	
2024	Industrial Zone Piped Discharge	B10	346.599	870.953
	Industrial Zone Piped Discharge	B15	470.473	
	Industrial Zone Piped Discharge	A15	53.881	

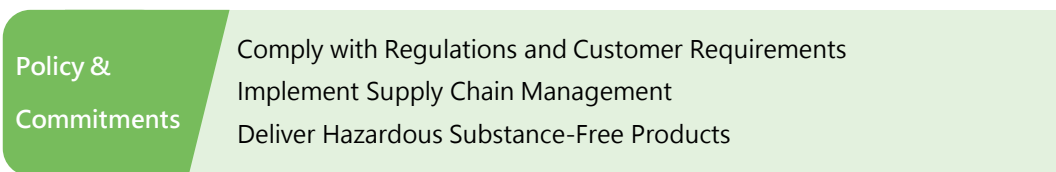
Water Consumption	Total Water Withdrawal	Total Water Discharge	Total Water Consumption	Ratio
2022	1218.706	995.679	223.027	82%
2023	895.508	690.430	205.078	77%
2024	1039.581	870.953	168.628	84%

Hazardous Substances Process Management(HSPM)

Walton Advanced Engineering (Walton) has established a “Hazardous Substances Process Management (HSPM) Procedure” to implement effective internal controls over the sources of raw materials and related substances. The objective is to comply with green product standards while minimizing the environmental impact during the production process.

Under the guidance of this procedure, all products must comply with international regulations and customer requirements, including the EU RoHS Directive, REACH Regulation, Packaging Directive, and the U.S. Environmental Protection Agency’s TSCA. This ensures that Walton’s manufactured products meet both global regulatory standards and customers’ hazardous substances management requirements.

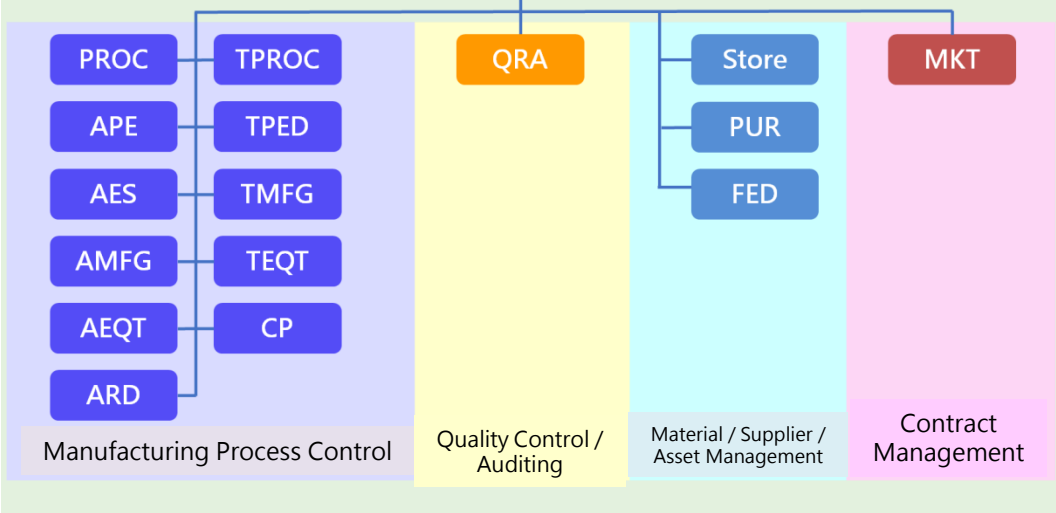
To enhance management effectiveness, Walton has established a cross-functional Hazardous Substances Process Management (HSPM) Committee Team. Based on the attributes of each department, specific management items are defined, and annual KPI indicators are set by each department to ensure implementation and execution across all units.



Hazardous Substance Management Committee

Management Representative

Green Management Training Team



Hazardous Substance-Free Management Process

Internal Training

- Conduct company-wide Hazardous Substance-Free (HSF) training programs for all employees.
- operator qualification certification.

Regulatory and Customer Requirements

- Regulatory verification
- Customer specification reviews

Supplier Management and Audits

- Supplier evaluations and audits
- Engineering change management
- Approved Vendor List (AVL)

Warehouse and Shipping

- Ensure traceability and identification of HSF products throughout the warehouse and shipping process.

Design and Development

- During the review of new processes and new product development, verify whether any hazardous substances are used.
- Evaluate whether raw materials and finished products for new products comply with HSF

Raw Material Procurement

- In accordance with the Hazardous Substance Management Procedure, new suppliers or suppliers of newly added materials are required to provide the Safety Data Sheet (SDS), a Hazardous Substance-Free Commitment Letter, and an HSF test report.
- Qualified suppliers are required to periodically provide a Hazardous Substance-Free Commitment Letter and an HSF test report.

Process Control

- New raw materials are evaluated against the Material Review Form (MRF) to determine whether they comply with HSF (Hazardous Substance-Free) requirements.
- Dedicated HSF production lines and line-change operations include contamination prevention measures.
- Incoming materials and finished products undergo XRF (X-Ray Fluorescence) testing.
- Engineering Change Management

IECQ QC 080000 Certificate

All manufacturing sites of Walton Advanced Engineering (WAE) have implemented a Hazardous Substances Process Management (HSPM) system and obtained IECQ QC 080000 certification to ensure effective supervision and control of hazardous substances.

To enhance awareness, the company conducts both new employee training and on-the-job refresher programs, enabling every employee to fully understand: The properties and potential risks of hazardous substances / Proper protective measures and safe handling procedures / Emergency response protocols and incident management.

Through these measures, employees are comprehensively trained to integrate hazard management into daily operations, thereby ensuring a safe and sustainable working environment.

SONY Green Partner

Since 2003, Walton Advanced Engineering has established a partnership with Sony Corporation of Japan, implementing the Sony Green Partner certification program in accordance with Sony's requirements. The company has been recognized as a Sony Green Partner member and has maintained this status to the present. This collaboration demonstrates Walton's strong commitment to environmental protection and sustainable operations, ensuring that its products and processes comply with the stringent environmental standards of world-class enterprises.



Social Care

03

3.1 Labor-Management
Relations

3.2 Training and Education

3.3 Occupational Health and
Safety

3.4 Diversity and Equal
Opportunity

3.5 Human Rights Assessment

3.6 Local Communities

Proportion of Female Managers

27%

1111 Job Bank Happy Enterprise

Silver
Award

Major Occupational Safety Incidents

0

RBA VAP

Silver

TCIA
Taiwan Continuous Improvement
Association

Golden
Tower



3.1 Labor-Management Relations

A stable and trustworthy labor-management relationship is the cornerstone of sustainable corporate operations. Walton Advanced Engineering upholds the principles of respect, communication, and cooperation, and is committed to establishing a sound communication platform to safeguard employees' rights to information and participation. Through institutionalized feedback mechanisms and regular communication meetings, the Company enhances employees' sense of involvement and corporate identity, which helps reduce the risk of labor disputes and improves organizational stability and competitiveness. The Company respects and protects employees' legal rights to establish or join labor unions, and supports collective bargaining and labor-management meetings in accordance with the law. Regular labor-management meetings, departmental communication sessions, supervisor interviews, suggestion boxes, and digital platforms are adopted to strengthen two-way communication. For major personnel policies, organizational changes, or matters affecting employee rights, the Company provides advance notice and conducts consultations with employees. Walton also offers competitive compensation packages, reasonable working hours, and a safe workplace environment, while implementing employee care and assistance programs to fully support its workforce.

Policy & Commitments

1. Freedom of association & communication.
2. Diverse channels for dialogue.
3. Transparent information.
4. Focus on conditions & rights.

Short-term Goals

1. Number of grievance cases : 0
2. Number of sexual harassment prevention cases : 0
3. Number of reports of violations of ethical conduct : 0

Mid- to Long-term Goals

1. Regular labor-management & welfare meetings.
2. Handle grievances & harassment cases.
3. Address major issues & investigate violations.
4. Review evaluations & collect feedback.

Evaluation Mechanism

Periodically evaluating the effectiveness of labor-management meetings and employee welfare committee sessions.

3.1.1 Employment Information

Talent Recruitment Channels

Walton Advanced Engineering recruits talents through diverse channels such as online job platforms and campus recruitment programs, aiming to attract fresh graduates entering the workforce. In addition, the Company encourages employee referrals of outstanding candidates and leverages internal transfer and recruitment mechanisms, ensuring that exceptional talents are matched with suitable positions where they can fully utilize their expertise.

Recruitment Websites

Job opportunities and descriptions are published on Walton's official website and major recruitment platforms. Candidates may contact the company's recruitment representatives at any time for job-related inquiries.

Campus Recruitment

Through campus recruitment events, the company seeks talent aligned with its corporate culture. On-site interactions with students provide opportunities for direct job consultations.

Internal Transfer

When a department has staffing needs, it submits recruitment requirements to the HR team. Vacancies are posted on the company's internal discussion platform and bulletin boards to promote talent mobility and enrich employee skills.

Employee Referral

Walton encourages employees to recommend outstanding candidates. This helps referred individuals better understand the job role and corporate culture, achieving the goal of placing the right talent in the right position.

3.1.1 Employment Information

Walton Advanced Engineering adheres to a people-oriented philosophy, strictly complies with labor laws, and prohibits the use of child labor, demonstrating its commitment to building a sound and sustainable employment relationship.

As of 2024, the company's total workforce reached 1,505 employees, consisting of 586 indirect staff and 919 direct staff. Walton continuously monitors the inflow and outflow of new and departing employees to ensure the stability of human resource allocation and to maintain operational resilience.

Analysis by employee type, age, gender, and educational background			2022		2023		2024	
			Total	Ratio (Note)	Total	Ratio (Note)	Total	Ratio (Note)
Indirect employees	Age	≤30	75	4%	68	4%	66	4%
		31~49	391	20%	361	23%	341	23%
		≥50	219	11%	193	12%	179	12%
	Gender	Male	524	26%	471	29%	438	29%
		Female	161	8%	151	9%	148	10%
	Education	Master's Degree	72	4%	68	4%	70	5%
		Bachelor's Degree	490	25%	445	28%	414	28%
		Associate's Degree	96	5%	86	5%	78	5%
		Others	27	1%	23	1%	24	2%
Direct employees	Age	≤30	225	11%	166	10%	187	12%
		31~49	837	42%	596	37%	554	37%
		≥50	246	12%	213	13%	178	12%
	Gender	Male	331	17%	257	16%	257	17%
		Female	977	49%	718	45%	662	44%
	Education	Master's Degree	3	0%	3	0%	3	0%
		Bachelor's Degree	535	27%	381	24%	378	25%
		Associate's Degree	148	7%	108	7%	100	7%
		Others	622	31%	483	30%	438	29%

Notes:

1.Calculated based on the total number of employees in service at the end of the reporting year.

2.Indirect employees: Calculated according to Walton Advanced Engineering's employee classification (IDL).

3.Direct employees: Calculated according to Walton Advanced Engineering's employee classification (DL).

4.Calculation formula for relevant categories:

-(Total number of the category during the reporting year ÷ Total number of employees at year-end) × 100%.

-Male employees = (Total number of male employees during the reporting year ÷ Total number of employees at year-end) × 100%.

New Employee and Employee Turnover Analysis

Through a comprehensive analysis of new hires and employee turnover, we gain a clearer understanding of the current situation and challenges in talent management. These data not only reflect past performance but also serve as a crucial basis for formulating future human resource strategies, optimizing the employee experience, and enhancing organizational resilience.

We will continue to monitor these key indicators and remain committed to creating a sustainable workplace environment where all employees feel valued, supported, and empowered to grow together with the company.

Analysis by employee type, age, gender, and educational background		New Employee						Former Employees					
		2022		2023		2024		2022		2023		2024	
		Total	Ratio (Note)	Total	Ratio (Note)	Total	Ratio (Note)	Total	Ratio (Note)	Total	Ratio (Note)	Total	Ratio (Note)
Age	≤30	264	87.1%	61	25.7%	108	42.2%	163	53.8%	127	53.6%	90	35.2%
	31~49	352	28.6%	6	0.6%	41	4.6%	301	24.5%	276	28.8%	103	11.5%
	≥50	18	3.9%	3	0.7%	5	1.4%	44	9.5%	62	15.4%	53	15.0%
Gender	Male	297	39.4%	60	8.2%	87	12.5%	268	31.3%	186	25.5%	120	17.2%
	Female	337	26.1%	10	1.2%	67	8.3%	240	21.1%	279	32.1%	126	15.6%
Education	Master' s Degree	14	18.4%	2	2.8%	8	10.7%	19	25.0%	6	8.3%	8	10.7%
	Bachelor' s Degree	308	30.0%	33	4.0%	91	11.5%	215	21.0%	252	30.5%	138	17.4%
	Associate's Degree	63	25.8%	2	1.0%	3	1.7%	48	19.7%	51	26.3%	19	10.7%
	Others	249	38.4%	33	6.5%	52	11.3%	226	34.8%	156	30.8%	81	17.5%

Note :

1. New Hire Rate = (Total number of new employees in a specific category during the year ÷ Total number of employees in that category at year-end) × 100%.
Example: Female new hire rate = (Total number of new female employees during the year ÷ Total number of female employees at year-end) × 100%.
2. Turnover Rate = (Total number of employees who left in a specific category during the year ÷ Total number of employees in that category at year-end) × 100%.
Example: Turnover rate for employees under the age of 30 = (Total number of employees under 30 who left during the year ÷ Total number of employees under 30 at year-end) × 100%.

Employee Benefits

To realize the vision of sustainable corporate development, Walton Advanced Engineering is committed to creating a supportive and caring work environment. Through a comprehensive benefits system and diverse employee support programs, the company enhances employee satisfaction and loyalty, ensuring that every colleague not only achieves professional growth but also enjoys a healthy and well-balanced life.

Rewards and Subsidies	Health and Wellness
Three Festival Gift Certificates Marriage/Funeral allowance Children's Education Scholarships and Grants Performance Bonuses Production Bonus Employee Travel Subsidies Employee Training Subsidies Further Education Subsidies Certification Exam Subsidy	Health Checkup Subsidy Regular Health Check-up Special Health Check-up Doctor On-site Service Health Lectures Fitness and Exercise Area Nursing Room
Catering and Transportation	Culture and Care
Staff Canteen Meal Allowance Shuttle Bus Staff Parking Lot	Recognition of Outstanding Employees Long-term Employee Recognition Book Club Club Activities Special Store Discounts

Parental Leave

Unpaid Parental Leave /Year	Gender	2022	2023	2024
Number of employees eligible for unpaid parental leave	Male	8	7	8
	Female	10	6	13
Number of employees who applied for unpaid parental leave	Male	2	4	2
	Female	7	5	5
Number of employees expected to return to work after completing unpaid parental leave (A)	Male	2	4	2
	Female	7	5	5
Number of employees who actually returned to work after completing unpaid parental leave (including early returnees)(B)	Male	1	4	2
	Female	5	4	4
Return-to-work rate (B/A)	Male	50%	100%	100%
	Female	71.43%	80%	80%
Number of employees who remained employed for at least 12 months after returning from unpaid parental leave in the previous year (C)	Male	1	0	1
	Female	4	1	2
Retention rate (C/ Lest year' s B)	Male	100%	0%	50%
	Female	80%	25%	50%

Notes :

1. Eligible = employees who applied for parental leave in past 3 years.
- 2 : Return-to-work rate = actual ÷ expected returns × 100%.
3. Retention rate = stayed 12m ÷ actual returns (prev. year) × 100%.



Recognition of Outstanding Employees



Book Club



Long-term Employee Recognition



Employee Training

Retirement System

Walton Advanced Engineering has established an employee retirement policy in compliance with the Labor Standards Act and the Labor Pension Act. Based on employees' individual choices, the Company contributes either 2% or 6% of total monthly wages toward retirement reserves or employees' personal pension accounts.

For employees under the old pension system, contributions are allocated to a retirement reserve fund account managed by the Labor Pension Supervisory Committee and deposited in the Bank of Taiwan (formerly the Central Trust of China, merged into the Bank of Taiwan in 2007). For employees under the new pension system, contributions are directly deposited into employees' individual accounts at the Bureau of Labor Insurance.

Compensation Development

Walton has set up a Compensation Committee to manage salary and benefits, ensuring policies stay competitive, meet corporate needs, and support sustainable growth. The pay structure follows Taiwan's Ministry of Labor "Basic Wage" standards and is benchmarked against industry data. The company also follows principles of equal pay, fairness, and gender equality.

For senior management, compensation includes fixed salary, variable pay, and long-term incentives to balance short-term results with long-term company goals, shareholder interests, and sustainability objectives. The process is transparent, with sustainability built into performance indicators to ensure fairness.

In recent years, overall pay has steadily risen, showing Walton's commitment to employee rights and competitiveness. Going forward, the company will continue improving HR policies to provide a fair, attractive, and supportive workplace for long-term employee growth.

Unit : Person/NT\$ in Thousands

Item		2022		2023		2024
Full-time non-manager employees (headcount).	Male	840	Male	914	Male	815
	Female	1,117	Female	1,147	Female	933
Avg. salary – full-time non-managers (NT\$K).	Male	688	Male	644	Male	728
	Female	523	Female	450	Female	532
Median salary – full-time non-managers (NT\$K).	Male	622	Male	546	Male	631
	Female	488	Female	396	Female	478

Minimum Notice Period for Operational Changes

For significant policy changes or operational adjustments affecting employee rights and benefits, the Company communicates through the labor union or labor-management meetings and provides support measures. In compliance with labor regulations, advance notice of 10 to 30 days is given.

According to Article 16, Paragraph 1 of the Labor Standards Act, the notice period for termination or resignation of non-fixed-term employees varies by years of service:

More than 3 months but less than 1 year: 10 days

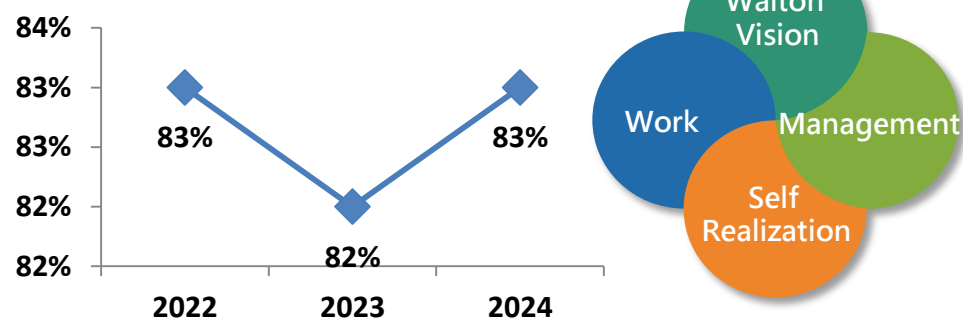
More than 1 year but less than 3 years: 20 days

More than 3 years: 30 days

Employee Communication

Walton Advanced Engineering values and respects employees' rights and voices, establishing both one-way and two-way communication channels to ensure transparency and inclusiveness. Mechanisms include grievance and communication platforms, quarterly employee forums, and an annual communication conference, creating an open workplace dialogue. Employees are encouraged to raise opinions or concerns promptly, with the option to submit feedback anonymously. The company guarantees confidentiality and ensures no retaliation or unfair treatment occurs. In addition, an annual employee opinion survey is conducted on areas such as company vision, work environment, management, and self-fulfillment to assess employee alignment and recognition.

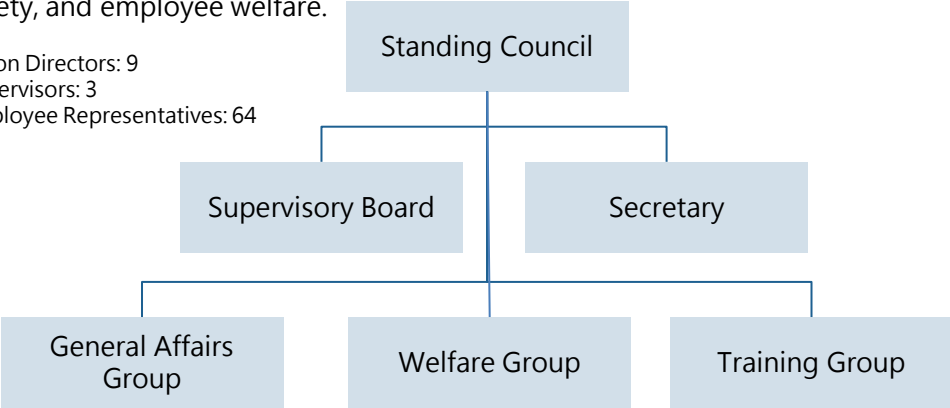
•Employee Satisfaction



Labor Union

Walton Advanced Engineering respects employees’ freedom of assembly and association. As of the end of 2024, a total of 1,222 employees at the Kaohsiung site were union members, accounting for 81% of the total workforce. Regular meetings are convened with employee representatives to jointly address issues related to labor disputes, workplace health and safety, and employee welfare.

Union Directors: 9
Supervisors: 3
Employee Representatives: 64



The 7th Board of Directors and Supervisors Meeting in 2024

(Including 1 temporary meeting)

5times

Attendance rate

86.8%

Employee Welfare Committee

Walton Advanced Engineering has established an Employee Welfare Committee, operating in line with regulations and company culture. The committee manages welfare affairs including daily care, living assistance, recreational activities, and support programs. These efforts aim to enhance employee satisfaction and cohesion, thereby strengthening the foundation for sustainable corporate development.

Labor-Management Meetings

Walton Advanced Engineering regularly holds Labor-Management Meetings in compliance with legal requirements and corporate governance practices. These meetings provide a structured platform for dialogue on labor rights, workplace conditions, and employee welfare. By fostering transparent and constructive communication, the company strengthens mutual trust and cooperation, supporting long-term organizational stability and sustainable growth.

Employee Welfare Committee in 2024

4times

Attendance rate (Labor)

100%

Labor-Management Meetings in 2024

4times

Attendance rate (Labor)

100%



Staff Seminars (quarterly/once)



Employee communication meeting (every six months)



Trade Union Members' Congress (every year/time)



Welfare Committee Meeting (quarterly/once)



Labor-management meeting (quarterly/once)

New Employee Care

To enhance the sense of security for new employees and reduce tension, Walton Advanced Engineering assigns a dedicated mentor before the onboarding date. The mentor provides guidance on living and working needs—such as meals, accommodation, and workplace matters—while offering support, counseling, and encouragement. In addition, new employees are given a list of administrative contacts for assistance. Periodic surveys are conducted to understand and evaluate their adaptation to the organization, ensuring timely responses and solutions.

Regular Meetings for Foreign Employees

In line with the RBA Code of Conduct, Walton implements the “zero recruitment fee” policy for foreign workers. To support their adaptation, the company assigns counselors fluent in Filipino languages to assist with settlement in Taiwan, including introducing Taiwan’s work culture, company policies, and local living resources. Regular meetings are organized to engage with foreign employees, understand their daily needs, and provide timely support, helping them integrate into Taiwan’s environment and the company culture.

Emergency Assistance Program

Walton Advanced Engineering collaborates with the PSA Walton Group Charity Foundation to operate the “Employee Emergency Assistance Program.” Employees facing personal or family emergencies may apply for financial aid. The amount and form of assistance are evaluated and determined by the foundation.

Employee Clubs and Activities

To promote physical and mental well-being and foster stronger peer relationships, the company encourages employees to form various clubs based on personal interests and hobbies. These clubs operate autonomously, covering sports, leisure, and public welfare. By the end of 2024, a total of 17 employee clubs had been established, creating a vibrant community that enhances employee engagement and workplace cohesion.

Sport

- Badminton Club
- Basketball Club
- Running Club
- Cycling Club
- Bowling Club
- Hiking Club
- Softball Club
- Slow-Pitch Softball Club

Leisure

- Nature Walk Club
- Photography Club
- Handcraft Club
- Ukulele Club
- Yoga Club
- Filipino Culture Club
- Life Club
- Sign Language Club

Charity

- Charity & Caring Club



Club Activities-Badminton



Club Activities-Running



Club Activities-Cycling

3.2 Training and Education

3.2.1 Education and Training Information

Walton Advanced Engineering regards talent as its most critical asset. Through systematic training and education, the company cultivates employees with professional skills and innovative thinking to enhance operational efficiency and market competitiveness. Annual training programs and departmental on-the-job training are tailored to different functions and personal development needs, strengthening current capabilities while building key competencies for future growth, supporting sustainable development and innovation.

In 2024, the employee training completion rate reached 100%. Walton also established a computer training classroom to provide a high-quality learning environment, improving training satisfaction and effectiveness. In addition, the company introduced Quality Control Circles (QCC) to strengthen problem-solving and continuous improvement, achieving outstanding results in the TCIA competition with one gold and two bronze awards.

Total Training Hours in 2024

34,329hours

TCIA Taiwan Continuous
Improvement Association

Golden Tower

Policy & Commitments

1. Annual training planning.
2. Tailored competency growth.
3. Learning culture & self-development.
4. Career transition & development support.

Short-term Goals

1. Achievement rate of annual training plan execution: $\geq 95\%$
2. Employee training participation rate: $\geq 98\%$
3. Average training hours per employee: ≥ 20 hours
4. Training satisfaction rate: $\geq 85\%$

Mid- to Long-term Goals

1. Integrate digital learning systems to expand course coverage and provide more personalized learning experiences.
2. Maintain employee training participation rate $\geq 95\%$ and raise satisfaction rate to $\geq 90\%$.
3. Establish talent development programs for high-potential employees and conduct regular reviews to ensure effectiveness.

Evaluation Mechanism

Conduct monthly internal meetings to review progress and completion rates.

Average training hours per employee

Statistics / Year		2022	2023	2024
Average training hours per employee (Note1)		17.3	18.1	22.7
Average training hours per female employee (Note2)	Female	16.8	17.7	25.2
	Male	18.9	18.7	20
Average training hours by employee category (Note3)	Indirect employees	16.5	15.7	25.7
	Direct employees	18.9	22.1	18.3

Note :

1. Avg. hrs/employee = total hrs $\div$ year-end headcount.
2. Avg. hrs/female = female hrs $\div$ female headcount.
3. Avg. hrs/category = category hrs $\div$ category headcount.

Percentage of employees who receive regular performance appraisals

Employees assessed in 2024		Number of assessments	Total number of employees	Percentage
Gender	Male	1,357	1,505	45%
	Female	1,640	1,505	54%
Employee Category	Indirect employees	1,833	1,505	61%
	Direct employees	1,164	1,505	39%

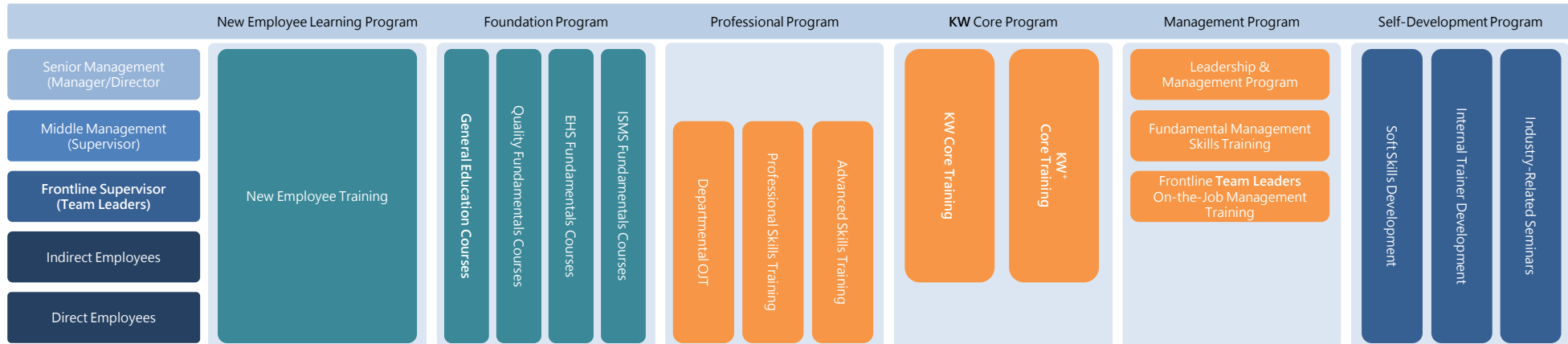
Note:

1. Evaluations: 2 $\times$ /year.
2. H2 eval: hires on/before Oct 1 $\rightarrow$ starts Nov.
3. Excludes unpaid leave employees.

Training Programs

Walton Advanced Engineering places strong emphasis on talent cultivation. Each year, in alignment with business strategies, customer requirements, and departmental needs, the company formulates an annual training plan. This plan specifies training by function, designates internal and external instructors, and identifies both mandatory and elective participants. In addition to company-wide training, each department conducts on-the-job training tailored to specific needs. Customized training roadmaps are developed to match employee competencies, fostering personal development and professional growth while enhancing corporate productivity and innovation. To support continuous learning, the company also provides scholarships for employees to pursue further education, thereby strengthening long-term operational growth and capability development.

Mandatory for All Employees
Based on Job Role / Employee Category
Optional or Supervisor-Assigned



New Employee Learning Program

Walton Advanced Engineering has implemented a dedicated onboarding system to help new employees adapt to the corporate environment and meet departmental work expectations during their training period.

Foundation Program

General education and policy-oriented courses are organized in alignment with the company's business strategies. These include training on government EHS regulations, quality awareness, and information security. In 2024, total training hours for these programs reached 34,329 hours.

Professional Program

Each department strengthens its professional knowledge transfer system to enhance workplace vitality. Departments also plan and conduct on-the-job training to effectively integrate and reinforce core competencies.

KW Core Program

Focused on cultivating critical talent, this program aligns with the company's annual strategy and fosters cross-departmental collaboration to achieve organizational goals. Through consensus-building workshops, employees strengthen teamwork, execution, and influence. In 2024, a total of 176 key talents were trained (124 male, 52 female), representing 11.6% of all employees.

Management Program

Regular training programs are provided for supervisors at all levels to enhance comprehensive management competencies. The programs focus on four areas: managerial skills, team motivation, strategic expertise, and forward-looking knowledge. In 2024, total management training reached 2,392 hours.

Self-Development Program

Walton has established self-development programs to help employees cultivate self-motivation and self-management skills, fostering continuous personal growth. Incentives such as language proficiency allowances and scholarships further encourage lifelong learning. Employees also have access to digital learning platforms, enabling them to choose courses aligned with their interests and job requirements to strengthen knowledge and skills. Additionally, a bi-monthly book club provides a platform for exchanging perspectives and experiences. These interactions broaden employees' horizons and promote diverse, inclusive ways of addressing challenges.

Employee Capability Enhancement and Transition Assistance Program

Walton is committed to providing employees with diverse channels to enhance their personal capabilities. These initiatives not only help the company become more flexible and innovative in the face of challenges but also strengthen employees' core competitiveness, supporting the achievement of long-term development goals. The company continuously invests resources to promote lifelong learning and growth for employees, enabling Walton to move toward its goals of high quality, high productivity, innovation, and customer trust. In addition, related knowledge reports are stored on the KM Knowledge Platform and shared with all employees, ensuring collective access to learning resources and fostering a culture of knowledge sharing.

TCIA(Taiwan Continuous Improvement Association)

Through nationwide continuous improvement activities, all employees collaborate as teams to brainstorm, learn from each other, and drive quality improvements. Since 2021, Walton has continuously participated in these events for four consecutive years, making ongoing efforts in quality improvement activities. In 2024, Walton achieved outstanding results, winning one Gold Tower Award and two Bronze Tower Awards.

Champion System

Personnel from R&D, engineering, equipment, and quality assurance units present semiconductor-related topics each quarter, providing the company with more information beneficial to production enhancement or process improvement.

Intern Project

Departments assign interns to conduct on-site internships to identify potential risks and issues, followed by presentation sessions to share their findings.

1999 Proposal System

All employees are encouraged to demonstrate creativity and critical thinking, combining collective wisdom and technical expertise to propose improvement solutions that enhance work efficiency, product quality, and reduce production costs.



2024 TCIA Taiwan Continuous Improvement Association one Gold Tower Award and two Bronze Tower Awards

Champion & Intern Conference

3.3 Occupational Health and Safety

Occupational safety and health are the foundation of corporate responsibility and sustainable development. Walton recognizes that employees' physical and mental well-being is essential for long-term operations and production efficiency. The company is therefore committed to building a "safe, healthy, and zero-accident" workplace. Through preventive management, employee participation, and risk assessments, Walton reduces hazards and occupational disease risks. These efforts enhance employee satisfaction and productivity while demonstrating the company's responsibility to protect employees and uphold broader social commitments.



Participation of All Persons

All employees engaged in EHS → build safety culture & drive sustainability.

Continuous Improvement

Comprehensive EHS system → goals, monitoring, audits, continuous improvement.

Risk Management

EHS risk checks + control measures → safe workplace.

Resources Conservation

Optimize energy, water & materials → lower impact, enhance sustainability.

Legality

Full compliance with EHS laws & standards → meet legal and social expectations.

Prevention Management

Hazard prevention + health promotion → fewer accidents & safer employees.

Policy & Commitments

Creating a Zero-Accident Environment

Short-term Goals

1. Occupational environment monitoring items – risk level ≤ 2 : 100%
2. Number of safety reports encouraged: ≥ 20 cases/month
3. Efficiency of rapid improvement of safety reports: $\geq 80\%$ /month
4. Frequency Rate of disabling injuries (FR): ≤ 0.53 /year
5. Severity Rate of disabling injuries (SR): ≤ 0.12 /year
6. On-site physician consultation services: ≥ 120 persons/year

Mid- to Long-term Goals

1. Frequency Rate of disabling injuries (FR): 0
2. Severity Rate of disabling injuries (SR): 0
(Number of major occupational accidents: 0)

Specific Strategies/ Results

1. In 2024, Walton Advanced Technology delivered occupational safety and health training to 1,530 participants and conducted emergency evacuation drills for 1,474 participants.
2. A total of 11 emergency response drills were carried out, simulating scenarios such as fires, earthquakes, chemical spills, typhoons, and floods, covering multiple high-risk situations.
3. Approximately NT\$1.3 million was invested in optimizing the fire alarm system to reduce false alarms, with the addition of an automatic real-time SMS notification to strengthen emergency response and overall safety management.
4. The company convened 11 ESH committee meetings, focusing on workplace environment, safety, and compliance, while integrating cross-departmental resources and feedback to continuously improve ESH policies and implementation.

Evaluation Mechanism

Completed the annual validity verification of the ISO 45001 Occupational Health and Safety Management System. Regularly reviewed EHS quarterly meetings, with all occupational health and safety performance indicators achieving the established targets.

3.3.1 Occupational Health and Safety Management System Information

Walton Advanced Engineering (WAE) continues to build a comprehensive occupational health and safety (OHS) management mechanism based on international standards. Using ISO 45001 as the core framework, the company has established an OHS management system and obtained certification from the international certification body TÜV in 2019, ensuring the system’ s effectiveness and continuity.

In addition, the Kaohsiung plant has passed the Responsible Business Alliance (RBA) VAP assessment, fully complying with supply chain requirements for labor safety and human rights protection, thereby strengthening corporate sustainability responsibilities.

WAE continuously implements the PDCA (Plan–Do–Check–Act) management cycle to institutionalize, standardize, and digitalize OHS management. Through systematic risk identification and preventive mechanisms, the company ensures workplace safety and strives toward the goal of “zero accidents.”

To further enhance management effectiveness and ensure performance monitoring, WAE regularly holds quarterly OHS meetings and management review meetings to review performance indicators and refine systems. This ensures that OHS objectives are achieved, continuously improving the work environment and safeguarding employee health and well-being.

Hazard Identification, Risk Assessment, and Incident Investigation

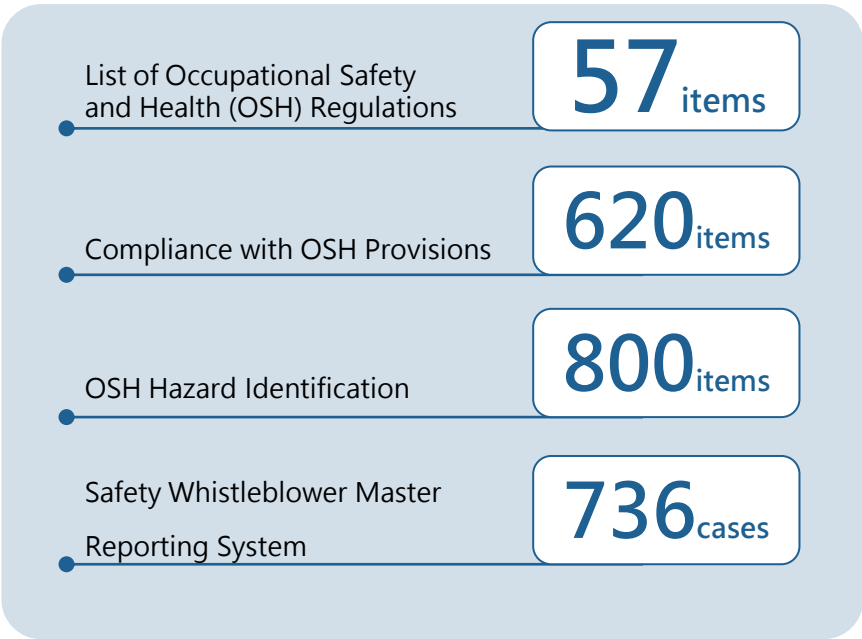
Walton Advanced Engineering is committed to strengthening workplace safety management through hazard identification and risk control mechanisms to ensure employee health and sustainable operations. At the plant, operations are carried out in accordance with the WSP-3-999/063 Occupational Health and Safety Hazard Identification and Risk & Opportunity Assessment procedure. This system identifies and evaluates all potential occupational health and safety hazards associated with business activities. Based on the risk level, hazards are prioritized for control, aiming to either eliminate them or reduce risks to an acceptable level, thereby improving overall OHS performance.

Risk Level	Level 1 — Minor Risk	Level 4 — High Risk
	Level 2 — Low Risk	Level 5 — Critical Risk
	Level 3 — Moderate Risk	

As of now, Walton has identified 800 potential risk items related to occupational health and safety, of which 25 items were classified as Level 3 (moderate risk). The company has since implemented enhanced control and preventive measures, successfully reducing the residual risk to Level 2 or below, demonstrating the effectiveness of its risk control mechanisms.

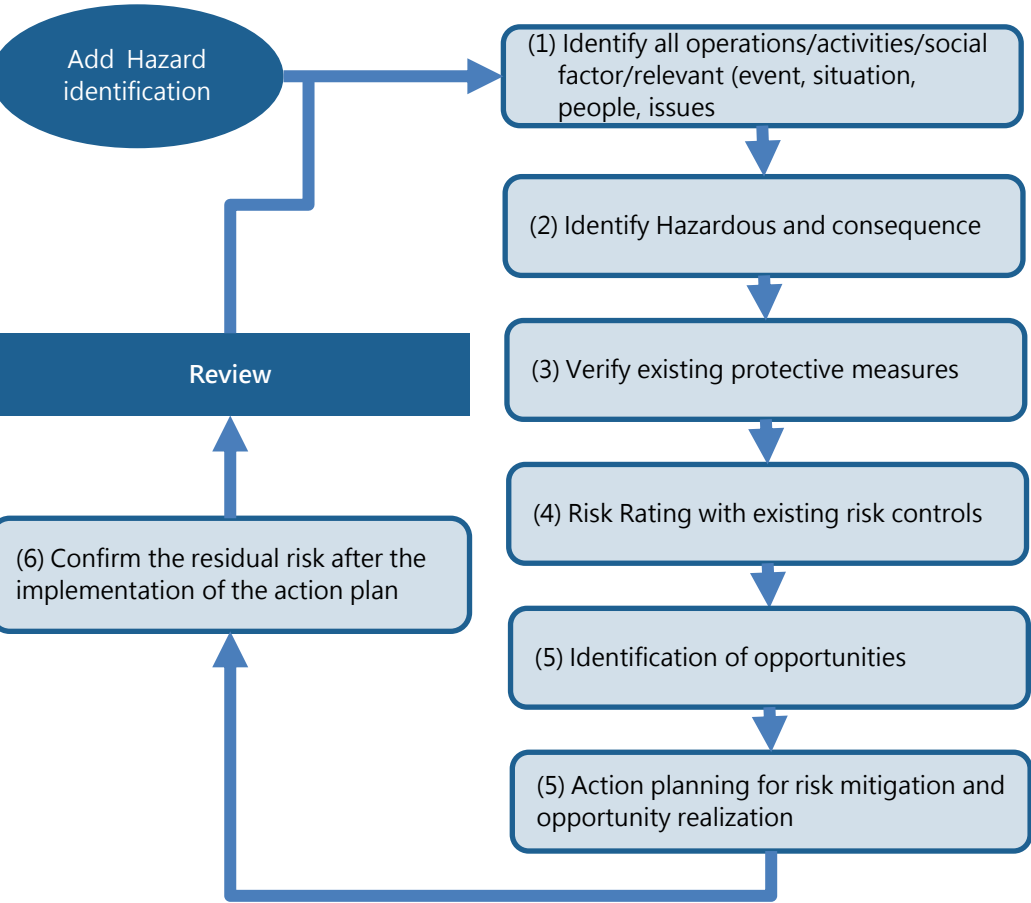
Safety Whistleblower Master Reporting System

To promptly identify and address potential safety risks within the workplace, Walton Advanced Engineering has established the “Safety Whistleblower Master Reporting System” as a convenient and real-time platform for employees to report unsafe conditions. Through this system, employees are encouraged to proactively report any hazards they observe in the work environment. Relevant departments immediately initiate inspections and corrective actions to ensure that issues are resolved swiftly. This initiative not only strengthens workplace safety management but also fosters a culture of employee participation in safety practices, working together to create a safer and healthier work environment.



To safeguard employee safety, Walton Advanced Engineering has established comprehensive procedures, including the Emergency Medical Rescue Process (WSP-3-999/068) and Safety Review Committee Operations and Accident Investigation Procedure (WSP-3-999/055), which serve as standard protocols for handling illnesses and occupational accidents. These procedures cover immediate medical aid, emergency reporting, and incident investigation. Corrective and preventive measures are implemented promptly based on investigation results to prevent recurrence and enhance accident management.

Walton follows the principle of continuous improvement, strengthening OSH risk governance to protect employee health and safety while supporting the Company’ s stable and sustainable development.



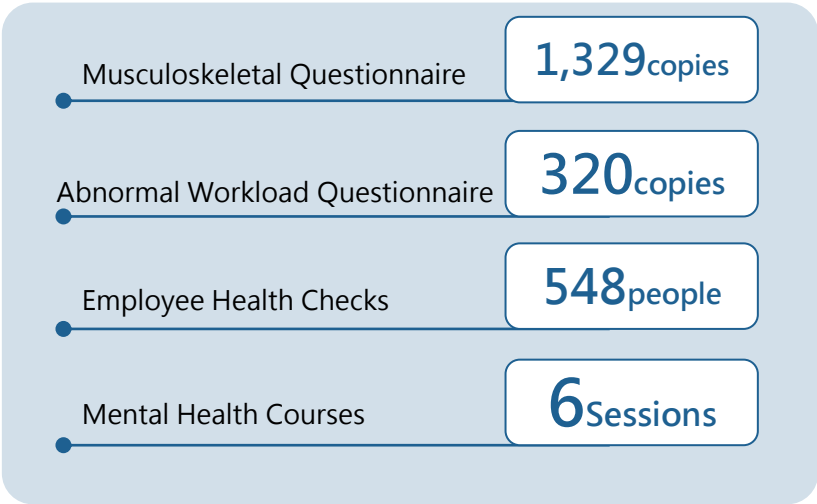
Occupational Health Services

Walton Advanced Engineering places great importance on the health and well-being of its employees. In accordance with the “Labor Health Protection Regulations” and WSP-3-999/046 Occupational Safety and Health Management Plan and Regulations, the Company has assigned two full-time nurses and arranges three on-site consultations each month with board-certified occupational physicians. The scope of these services is comprehensive and includes:

On-site medical consultations

- Follow-up and management of abnormal health examination results
- Maternal health protection and case management
- Return-to-work health evaluations
- Assessment and monitoring of abnormal workloads and ergonomic hazards
- General medical consultation services
- Workplace health risk inspections and employee care visits
- Emergency medical assistance and treatment

Through these integrated measures, Walton is committed to creating a safe, healthy, and inclusive workplace, while actively implementing occupational safety and employee health management. This demonstrates the Company’ s dedication to sustainable operations and responsible governance.



Occupational Safety and Health Committee

Walton Advanced Engineering is committed to a safe and healthy workplace. In line with the Occupational Safety and Health Management Regulations and its internal management plan (WSP-3-999/046), the Company has established an Occupational Safety and Health Committee.

The Committee, chaired by the General Manager, consists of 22 members including department heads, safety and health personnel, plant nurses, and employee representatives. With 8 employee representatives—more than one-third of the total, exceeding regulatory requirements—the structure ensures employees actively participate in health and safety discussions and decision-making, reflecting joint labor–management governance.



Occupational Safety and Health Training and Promotion

Walton, in accordance with the Occupational Safety and Health Education and Training Regulations and the internal procedure WSP-3-999/015 Environmental, Safety, Health, and Energy Education and Training Management, has established a comprehensive occupational safety and health training system. This system strengthens employees' safety awareness and health literacy, ensuring that every employee possesses adequate safety knowledge and emergency response capabilities while performing their duties.

To enhance workplace safety management effectiveness, the Company designs tiered training programs tailored to different target groups and risk characteristics, including:

New Employee Orientation Training	On the first day of reporting, new hires undergo basic occupational safety and health training to ensure they acquire essential safety knowledge and self-protection skills before officially starting work.
On-the-Job Training	Regular occupational safety and health courses are conducted to update and reinforce knowledge in response to evolving risks within the plant.
Emergency Response and Evacuation Drills	Fire, chemical leakage, and other scenario-based drills are regularly conducted to strengthen employees' immediate response and evacuation capabilities.
Visual Promotion and Continuous Awareness Campaigns	Safety and health awareness videos, slogans, and case studies are broadcast on factory display walls, combined with multi-media and on-site campaigns to improve employee engagement and vigilance.

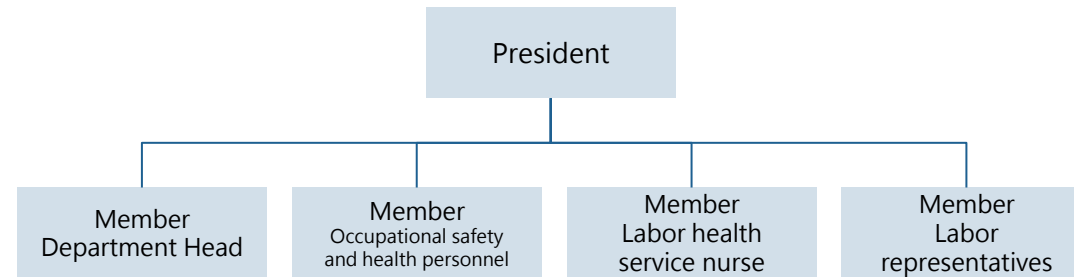
The Committee convenes four regular meetings each year (once per quarter) and is responsible for:

Supervising the implementation of occupational safety and health policies and management systems.

Reviewing and analyzing occupational accident cases and proposing improvement recommendations.

Formulating risk prevention measures and continuous improvement strategies.

Through institutionalized management and regular meetings, Walton effectively enhances workplace health and safety performance, reduces operational risks, strengthens corporate resilience, and fulfills its long-term commitment to protecting employee health and rights.





Fire extinguisher training

Occupational safety and health
on-the-job training

New employee training



evacuation training



emergency response training

Prevention and Mitigation of Occupational Safety and Health Impacts

In 2024, Walton reported one occupational injury during 7S cleaning in the office. An employee fractured a finger after striking it against a drawer handle, leading to 44 lost workdays. An internal investigation identified the root cause as poor hand-eye coordination and overly hasty actions.

Corrective measures included strengthening 7S safety training and reminding employees to apply proper hand-eye coordination and avoid rushed actions during cleaning. Walton continues to enforce occupational safety through education, training, and risk identification, aiming to minimize hazards and ensure a safe working environment.

Management System/Laws	Inspection Type	Number of people	ratio
Occupational Safety and Health Law	Internal Audit	1505	0.5%
	Labor Inspection	1505	0.5%
ISO 45001	Internal Audit	1505	0.4%
	External Verification(Note2)	1576	0.2%

Note 1: Explanation of verification scope and excluded workers: the headcount is calculated based on the number of employees as of December 31, 2024.

Note 2: The number of employees verified under ISO 45001 external audit is based on the headcount in June 2024.

Type / Year		2022	2023	2024	Hazards and Improvement Measures
Types of occupational injuries	Falls	2	1	0	Two occupational incidents occurred: one where a maintenance worker tripped over machine wiring and lost balance when their uniform caught on a drawer, and another where an employee slipped in a wet corridor due to worn-out shoes. Preventive Actions: Allow machine wiring to hang naturally to avoid bending and tripping hazards. Remove drawers that may cause entanglement. Reinforce awareness of slip-resistant footwear and prohibit the use of worn-out shoes.
	Pinching	0	0	0	-
	Scald	0	1	0	Incident: hand burn during pneumatic maintenance → Prevention: shut down machine and air supply.
	Scrape	0	0	1	Incident: finger injury while wiping → Prevention: 7S training on hand–eye coordination, avoid blind wiping.
Types of occupational diseases	Overwork	0	0	0	-

Health Promotion

Walton is committed to creating a safe and healthy workplace by actively promoting health programs that enhance employee well-being. A diversified online health platform provides convenient access to resources and services, including health consultations, physical and mental health assessments, pandemic prevention information, and health promotion activities, enabling employees to strengthen self-health management.

To further support workplace health, Walton conducts musculoskeletal and workload surveys, organizes regular health examinations, and offers education programs on physical, mental, and spiritual well-being. Initiatives such as health seminars, fitness activities, and stress-relief programs improve employees' health literacy and overall quality of life.



Walton Care
Number of participants

2,975 people

Walton Care

Since 2019, Walton has implemented the Walton Care Project, organizing diverse annual health promotion activities that consistently attract strong employee participation and positive feedback. This initiative strengthens the company's health culture, enhances efficiency, and improves satisfaction. Walton also collaborates with government agencies each year to promote workplace health programs, aiming to create a sustainable, healthy, and inclusive work environment while fulfilling corporate social responsibility. To encourage participation, the company has introduced incentive mechanisms to increase motivation and health awareness. As of December 2024, the Happy & Healthy Walton series recorded 2,974 employee participations, with rates steadily rising, reflecting employees' recognition and active engagement.

Stay Active,
Stay Healthy

Encourage exercise habits via health tracking to reduce risks of the "three highs."

Happy
Learning

Diverse health channels → promote self-management & awareness.

Better Life
at Walton

Soft-skill, family, and community programs → support work-life balance.



Cardiovascular disease prevention course



CPR+AED Course



Promotion



Advanced Chair Strength Course



Occupational doctor on-site assessment



Health Check



Learning System Health Column



Seasonal gardening classes



Joyful Sound Therapy Yoga



Stress Relief Handicraft

3.3.2 Occupational Injuries and Occupational Diseases

In the past three years, Walton Advanced Engineering has reported no fatal occupational injuries. Severe injuries occurred only in isolated years, with incidence rates remaining low, showing effective risk control and emergency response. Recordable injuries also stayed low, supported by hazard identification, risk assessment, corrective measures, and continuous safety training.

No occupational diseases or recordable illnesses were reported, demonstrating effective workplace conditions and health monitoring systems in preventing long-term hazards. Moving forward, Walton will continue to strengthen its health and safety management system, enhance preventive measures and employee participation, and ensure effective post-incident investigations and corrective actions.

Types of work-related injuries		2022	2023	2024
Traffic Accidents	Male	12	16	12
	Female	15	11	12
	Total	27	27	24
Cuts	Male	0	0	0
	Female	0	0	0
	Total	0	0	0
Crush	Male	0	0	0
	Female	0	0	0
	Total	0	0	0
Fall	Male	1	1	0
	Female	1	0	0
	Total	2	1	0
Scald	Male	0	1	0
	Female	0	0	0
	Total	0	1	0
Pinching	Male	0	0	0
	Female	0	0	0
	Total	0	0	0
Scrape	Male	0	0	0
	Female	0	0	1
	Total	0	0	1

Statistics/Year		2022	2023	2024
Total working hours (Note1)		3860248	3450152	3054528
Fatal occupational accidents (Note1)	People	0	0	0
	Ratio	0	0	0
Severe occupational injuries (Note2)	People	0	1	0
	Ratio	0	0.05797	0
Recordable occupational injuries (Note3)	People	2	2	1
	Ratio	0.10362	0.11594	0.06548
Occupational diseases	People	0	0	0
	Ratio	0	0	0
Recordable occupational diseases (Note3)	People	0	0	0
	Ratio	0	0	0

Note 1: Total working hours are calculated based on the occupational injury reporting system, summing monthly working hours. The rate is calculated per 200,000 working hours.

Note 2: Severe occupational injury refers to an injury that prevents or significantly hinders an employee from regaining their pre-injury health status within six months.

Note 3: Recordable occupational injury or disease refers to the number of cases reported in Taiwan's occupational injury reporting system, including fatalities, permanent total disability, permanent partial disability, and temporary total disability (defined as being unable to continue normal work, requiring leave from the workplace, with lost time of more than one day. This excludes the day of the injury and the day of return to work but includes Sundays, holidays, shutdown days, and other full days lost after returning to work due to the same injury).

3.3.3 Information on Occupational Injury Frequency, Occupational Diseases, Lost Day Rate, Absentee Rate, and Work-Related Fatal Accidents

Year		2022	2023	2024	Calculation method
Number of work-related injuries	Male	1	2	-	Reportable Cases: Calculated based on Taiwan’ s occupational injury reporting requirements (excluding commuting accidents).
	Female	1	-	1	
	Total	2	2	1	
Lost days	Male	93	202	-	Reportable cases: Work-related incidents resulting in lost time of more than one day (excluding the day of injury and the day of return to work).
	Female	92	-	44	
	Total	185	202	44	
Total working hours	Male	1,670,208	1,498,416	1,402,336	1. Calculated using the occupational injury reporting system, summing monthly working hours. 2. Monthly working hours = (Number of employees per month) × (Regular workdays) × (8 hours).
	Female	2,190,040	1,951,736	1,652,192	
	Total	3,860,248	3,450,152	3,054,528	
Injury Rate (IR)	Male	0.12	0.27	-	Injury Rate (IR) = (Number of occupational injuries ÷ Total working hours) × 200,000 Based on the number of reportable cases under Taiwan’ s occupational injury reporting system.
	Female	0.09	-	0.12	
	Total	0.10	0.12	0.07	
Disabling Injury Frequency Rate (FR)	Male	0.59	1.33	-	Disabling Injury Frequency Rate (FR) = (Number of occupational injuries ÷ Total working hours) × 1,000,000 Rounded to two decimal places (third decimal place and beyond are discarded).
	Female	0.45	-	0.60	
	Total	0.51	0.57	0.32	
Lost Day Rate (LDR)	Male	11.14	26.96	-	Lost Day Rate (LDR) = (Total number of lost workdays ÷ Total working hours) × 200,000
	Female	8.40	-	5.33	
	Total	9.58	11.71	2.88	
Disability Severity Rate (SR)	Male	55	134	-	Disabling Injury Severity Rate (SR) = (Total number of lost days ÷ Total working hours) × 1,000,000 Rounded to the nearest integer (decimal places are discarded).
	Female	42	-	26	
	Total	47	58	14	
Full Scale Damage Index (FSI)	Male	0.18	0.42	-	FSI= [(FR × SR) ÷ 1000] ^ 0.5 · Rounded to two decimal places (third decimal place and beyond are discarded).FSI=√FR × SR /1000
	Female	0.13	-	0.12	
	Total	0.15	0.18	0.06	
Absenteeism rate (AR) (Note1.)	Male	1.89	2.60	1.59	1. Absentee Rate (AR) = (Total number of absent days ÷ Total scheduled working days of all employees) × 100% 2. Calculated based on the total number of employees at year-end.
	Female	1.98	3.77	1.87	
	Total	1.94	3.23	1.74	
Occupational Disease Rate (ODR)	Male	-	-	-	Occupational Disease Rate (ODR) = (Total number of occupational disease cases ÷ Total working hours) × 200,000
	Female	-	-	-	
	Total	-	-	-	
Total fatal accidents	Male	-	-	-	
	Female	-	-	-	
	Total	-	-	-	

Note1 : Absenteeism = sick/personal leave (illness, injury, etc.); excludes annual, maternity, paternity, bereavement leave.

3.4 Diversity and Equal Opportunity

Creating a diverse and inclusive work environment not only enhances organizational cohesion and innovation but is also a core driver of sustainable business operations. By ensuring equal opportunities and fair treatment, the company can effectively attract and retain top talent, foster a positive corporate culture, and strengthen social trust as well as employer brand image.

Policy & Commitments

1. Respect for Human Rights and Equal Treatment
2. Prohibit any form of discrimination and harassment.
3. Strengthen awareness and education.

Mid- to Long-term Goals

1. Human Rights and Diversity: Foster a harmonious culture, retain talent, and maintain positive labor relations.
2. Fair Promotion and Compensation Systems – Establish transparent and institutionalized systems for promotion, performance evaluation, and compensation.

Short-term Goals

1. Establish Complaint and Response Mechanisms – Implement transparent systems for incident tracking and feedback.
2. Employee Training – Ensure 100% participation in diversity, equality, and human rights training.

Evaluation Mechanism

1. Hold monthly compensation committee meetings.
2. Conduct annual employee satisfaction surveys.
3. Implement mechanisms for complaint handling and improvement tracking.

Recruitment Policy

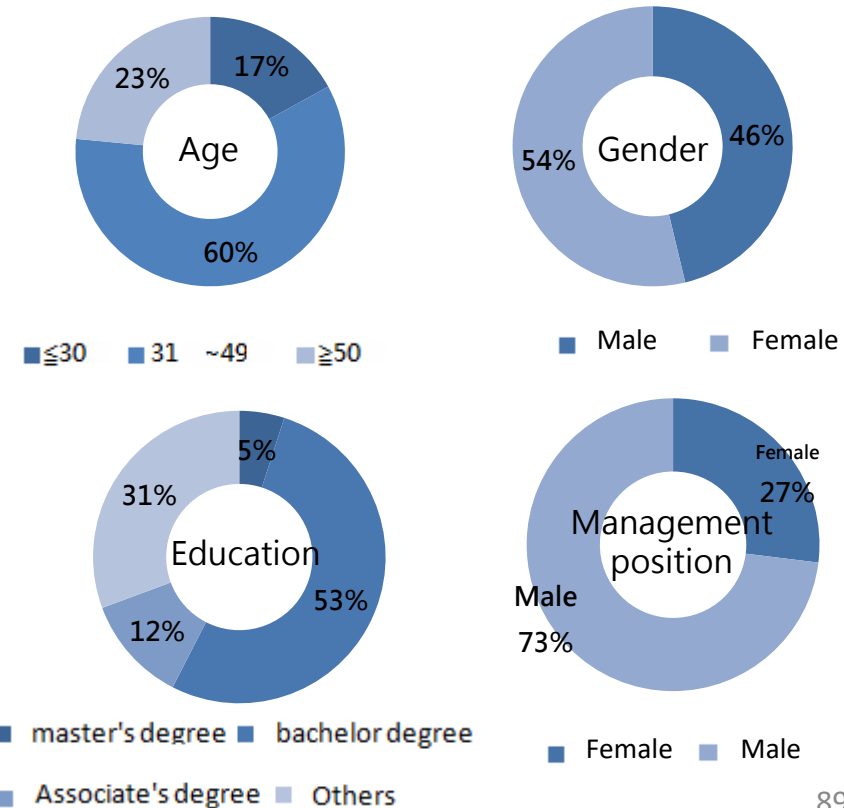
In terms of employee recruitment, Walton Advanced Engineering (WAE) adheres to the Labor Standards Act of the Republic of China, the Responsible Business Alliance (RBA) Code of Conduct, and other relevant labor regulations. The company embraces diversity and inclusiveness, ensuring that no discrimination occurs based on gender, age, ethnicity, nationality, religion, political stance, or sexual orientation.

In line with government policies that encourage the employment of people with disabilities, Walton actively promotes a diverse and friendly workplace. As of December 2024, the Taiwan region employed 13 employees with disabilities, with an adjusted headcount of 19, achieving a 1% employment rate. The company remains committed to meeting the required employment quotas and providing suitable job positions for employees with disabilities.

In 2024, the company had a total of 1,505 employees, including 810 female employees and 695 male employees, of which 45 were female managers and 122 were male managers. Walton places great emphasis on gender equality and diversity in its workforce policies, striving to create a workplace environment that is friendly, respectful, and free of gender discrimination.

From 2022 to 2024, workforce structure analysis shows that the proportion of female employees remained stable. Notably, the share of female indirect employees increased from 8% in 2022 to 10% in 2024, reflecting a steady improvement in women's participation in office functions. Although data on direct employees has not been disclosed, the overall workforce structure demonstrates Walton's tangible progress in promoting gender diversity and inclusiveness.

Looking forward, the company will continue to enhance its gender equality policies, further increasing female participation across various job levels and functions, thereby achieving a more representative and inclusive workplace development.



3.4.1 Employee-Related Information

From 2022 to 2024, Walton experienced a year-on-year decline in total headcount, decreasing from 1,993 employees in 2022 to 1,505 employees in 2024, as part of organizational adjustments aimed at enhancing operational efficiency.

■ Employment Contract Types

The company primarily employs staff under open-ended (non-fixed term) contracts, ensuring high stability in employment. In 2024, only 14 employees (less than 1%) were under fixed-term contracts, while the rest were employed under open-ended contracts. This trend reflects the company's commitment to stable employment and long-term talent development.

Male fixed-term employees: 12

Female fixed-term employees: 2

All foreign employees were employed under open-ended contracts, with no fixed-term employment records.

■ Gender and Nationality Distribution

Overall, female employees slightly outnumbered male employees, with a well-balanced gender distribution and strong female participation. In 2024, female employees accounted for approximately 53.8% of the workforce. In terms of nationality, Taiwanese employees made up the vast majority, with 1,297 local employees in 2024. Foreign employees totaled 210 people, representing 13.9% of the workforce, reflecting the company's continued employment of foreign labor to support production and specialized functions.

■ Employment Type

All Walton employees were full-time staff. From 2022 to 2024, the company had no record of part-time employees, demonstrating a stable and clearly defined workforce allocation strategy focused on permanent employment.

Statistics/Year		2022		2023		2024	
Total Number of Employees (Note1)		1,993		1,597		1,505	
Employment Contract (Notw2)		Non-fixed	Fixed	Non-fixed	Fixed	Non-fixed	Fixed
Gender	Male	848	7	719	9	683	12
	Female	1,137	1	869	0	808	2
Country	Taiwan	1,607	8	1,395	0	1,281	14
	Foreigner	377	0	202	0	210	0
Labor Type (Note3)		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Gender	Male	855	0	728	0	695	0
	Female	1,138	0	869	0	810	0
Country	Taiwan	1,616	0	1,395	0	1,295	0
	Foreigner	377	0	202	0	210	0

Note 1: The number of employees may be reported either as the year-end headcount (December 31) or as the average number, calculated by summing the headcount at the end of each month and dividing by 12.

Note 2: Employment contracts are divided into non-fixed-term contracts (regular employees) and fixed-term contracts (short-term, seasonal, or project-based employees, as well as substitutes covering maternity or parental leave until regular employees return).

Note 3: Employment types are categorized as full-time employees (working hours equal to the statutory weekly maximum) and part-time employees (working fewer hours, such as student workers or hourly staff).

Note 4: Employees without guaranteed working hours are not assured a minimum or fixed schedule. They may work as needed, but the company has no contractual obligation to provide fixed hours. If the company does not employ such temporary staff, disclosure is not required.

Ratio of Basic Salary and Remuneration

To promote pay equity and gender equality, Walton Advanced Engineering (WAE) regularly reviews differences in employee salaries and benefits. The following presents a comparison of the basic salary and total remuneration of male and female employees in Taiwan across different categories (direct and indirect employees) from 2022 to 2024.

Ratio of Basic Salary and Remuneration		Ratio					
		2022		2023		2024	
Employee Category	Item	Male	Female	Male	Female	Male	Female
Direct Employees	Basic Salary	1	0.93	1	0.9	1	0.93
	Salary	1	1.11	1	0.8	1	0.96
Indirect Employee	Basic Salary	1	0.90	1	0.9	1	0.94
	Salary	1	0.77	1	0.9	1	0.91

In terms of direct employees, from 2022 to 2024, the average basic salary and remuneration levels of female employees were slightly lower than those of male employees; however, the gap has been narrowing year by year. Notably, in terms of remuneration, female employees' pay in 2022 was higher than that of male employees, reflecting a relative advantage in certain incentive-based benefits.

For indirect employees, the average basic salary of female employees consistently remained lower than that of male employees, at approximately 90%–94% of the male level. Nevertheless, the company has been gradually adjusting its salary policies with the aim of narrowing this gap.

To address gender pay disparities, the company has established an internal monitoring mechanism to continuously track and adjust any unreasonable differences, thereby strengthening the principle of equal pay for equal work and advancing gender equality and inclusiveness. Moving forward, the company will continue to enhance gender equity and pay transparency through an objective job competency evaluation system and regular salary reviews, thereby reinforcing sustainable human capital management.

3.5 Human Rights Assessment

Walton Advanced Engineering (WAE) upholds the values of “Respect for Human Rights, Promoting Equality, and Embracing Diversity”, striving to create a safe, respectful, and non-discriminatory workplace. Since 2014, the company has incorporated international human rights standards into its governance framework, referencing the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), the Labor Standards Act, and the Convention on the Rights of Persons with Disabilities (CRPD). By integrating labor protection and diversity inclusion into the core of corporate governance, WAE strengthens organizational resilience, attracts diverse talent, and enhances international competitiveness.

Policy & Commitments

1. Respect for Human Rights and Equal Treatment
2. Formulation and Implementation of the Four Major RBA Human Rights Policies
3. Achieved RBA VAP Silver Certification

Short-term Goals

1. Violations of the “one day off in seven days” rule: 0
2. Violations of the “zero recruitment fee for foreign workers” policy: 0
3. Grassroots employee communication forums: 4 times per year
4. Physical violence complaint cases: ≤ 1 per quarter

Mid- to Long-term Goals

Completion of at least one annual RBA internal audit, with 100% corrective action plans implemented for non-conformities.
All employees completed diversity, equality, and human rights training, with a training participation rate of 100%.

Evaluation Mechanism

1. Regularly convene the RBA Management Review Committee to review KPI achievement.
2. Complete the annual RBA Self-Assessment Questionnaire (SAQ) every year.

Walton places strong emphasis on labor rights, adhering to the principles of equality, inclusiveness, and respect for every employee. The company strictly prohibits discrimination of any kind, ensuring fair employment and promotion opportunities regardless of gender, age, ethnicity, religion, marital status, sexual orientation, disability, or political affiliation. WAE has established the four major RBA policies and has developed comprehensive RBA implementation plans. In 2024, WAE successfully achieved the RBA VAP Silver certification.



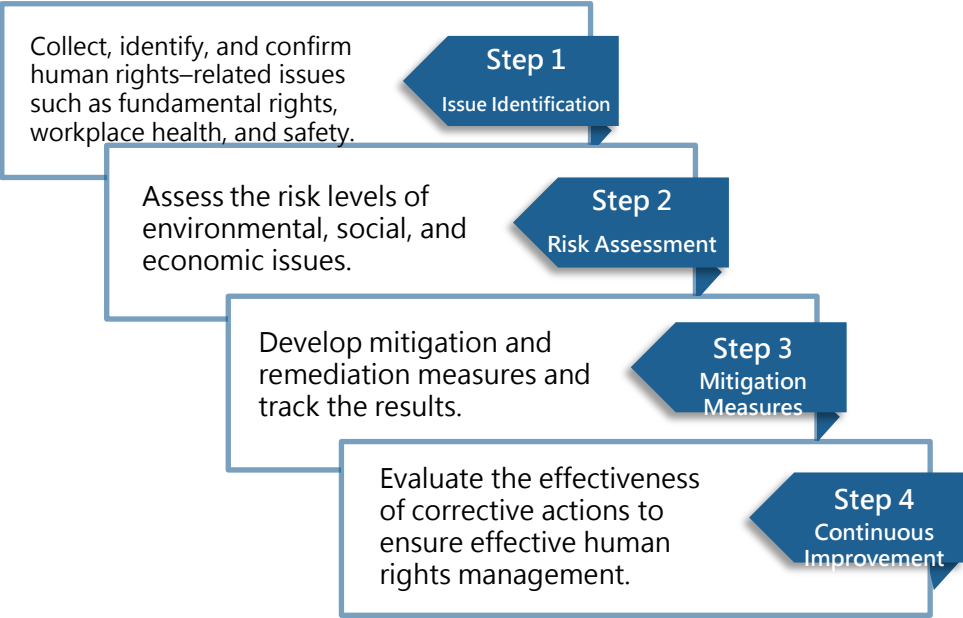
RBA Management and Implementation

In line with RBA policy areas, WAE implements management reviews, employee and supplier training, internal and external audits, and RBA SAQ assessments to ensure compliance with labor protection standards. To strengthen employee awareness, annual Q4 training is conducted through sessions, online courses, and announcements, covering the RBA Code of Conduct, integrity, anti-corruption, insider trading prevention, information security, and IP protection. In 2024, 1,505 employees completed 2,257.5 training hours. Results are regularly reported to the Board of Directors.

Human Rights Management Mechanism and Due Diligence

Walton Advanced Engineering (Walton) is committed to respecting and safeguarding the fundamental human rights of all workers. In line with corporate social responsibility principles, the company has established a comprehensive human rights management mechanism to ensure that all business activities comply with applicable laws and international standards. According to the company’ s Management Regulations, relevant management procedures have been formulated, and an internal audit mechanism is in place to monitor implementation effectiveness. Furthermore, the company adopts the Responsible Business Alliance (RBA) Code of Conduct as the foundation for its management and execution, conducting both internal and external RBA audits on a regular basis to ensure continuous alignment with international human rights and labor standards.

Each year, during the management review meetings, human rights–related performance indicators are examined and reviewed to ensure continuous improvement and fulfillment of corporate responsibility.



Walton Advanced Engineering (Walton) demonstrates its commitment to human rights through systematic due diligence, aiming to build a fair, safe, and respectful workplace. In supply chain management, the prohibition of forced labor is integrated into the Supplier Code of Conduct, requiring suppliers and subcontractors to comply with human rights policies. Key measures include:

- 1.Supplier Risk Assessment – Identify high-risk countries, industries, or labor models.
- 2.Audits and Reviews – Conduct annual or planned audits on human rights and labor conditions.
- 3.On-Site Inspections – Prioritize high-risk suppliers with audits and follow-up actions.

During the reporting period, no forced or involuntary labor incidents occurred; all workers joined voluntarily under signed contracts. Walton also provides regular training for employees, labor agencies, and contractors on ethics and human rights to strengthen management capabilities. Looking ahead, Walton will continue to enhance risk identification and preventive measures through cross-departmental collaboration to safeguard workers’ dignity and rights.

Child Labor Cases	0
Number of Participants in Integrity Management Education and Training	100%
Violation of zero recruitment fees	0
Gender Discrimination or Harassment-related Complaints	0

3.5.1 Prohibition of Child Labor

Walton Advanced Engineering upholds respect and protection of human rights, complies with labor laws and international standards, and strictly prohibits child labor. Protecting children’ s rights is part of our recruitment policy and supply chain management to ensure full compliance. In 2024, no child labor incidents occurred. To prevent such risks, the company has established specific management measures.

- 1Age Verification Mechanism during Recruitment – Candidates are required to provide legal identification documents to verify their age.
- 2Internal Whistleblowing Mechanism – Employees are encouraged to anonymously report illegal or suspicious labor practices.
- 3Supplier Audits – Regular and ad-hoc audits of suppliers are conducted to ensure the effective implementation of child labor prevention measures.

If an employee under the age of 16 is mistakenly recruited, Walton Advanced Engineering will immediately initiate remedial and control procedures to ensure that the rights and interests of the child are fully protected. As of 2024, no incidents of child labor violations have occurred. The remedial actions include:

Immediate Termination of Work Assignment	The underage employee will be withdrawn from all work tasks immediately to eliminate ongoing labor risks.
Health Check and Family Reintegration	•Health exam & safe return to guardians. •Job-matching for capable family members. •If none, report to authorities.
Living Allowance Support	A suitable living allowance will be provided until the individual reaches the legal working age.
Educational Assistance	Support will be offered to ensure the completion of compulsory education and safeguard the individual’ s right to schooling.
Priority Employment Opportunity	Once the individual reaches the legal working age and expresses willingness to join the company, their employment application will be given priority consideration.

3.5.2 Anti-Corruption and Fair Competition

Walton Advanced Engineering upholds the core corporate values of integrity in operations and compliance with laws and regulations, continuously strengthening its anti-corruption and fair competition practices. In accordance with the RBA Integrity Management and Information Disclosure Procedure, the company explicitly prohibits all forms of corruption, bribery, conflicts of interest, improper benefits, commercial fraud, and misconduct. A robust internal control system has been established to ensure transparency, legitimacy, and compliance in business operations.

The company conducts regular training for all employees on topics such as Integrity in Business and Anti-Corruption and Ethical Standards, delivered through internal courses, online learning platforms, and awareness campaigns, to reinforce compliance and ethical awareness. New employees are also required to receive anti-corruption training and sign a declaration of compliance upon onboarding. In 2024, the company achieved a 100% completion rate for integrity-related training, including anti-corruption and fair competition.

To extend integrity management to its supply chain, Walton requires all key suppliers to sign an Integrity Commitment Letter, which includes commitments against bribery, improper hospitality, and unauthorized disclosure of confidential information. These requirements are also embedded in supplier selection and annual performance evaluations. As of the end of 2024, no confirmed cases of corruption or fraud were identified, and no employees or business partners were subject to disciplinary actions. The company has also established whistleblowing hotlines, dedicated email addresses, and anonymous reporting mechanisms, ensuring whistleblower confidentiality and protection against retaliation, while fostering a culture of accountability and ethical conduct.

Walton adheres strictly to the principle of fair competition, complying with the Fair Trade Act and other relevant regulations. The company prohibits collusion with competitors, market monopolization, or price manipulation. Regular training on compliance and competition laws is provided to business personnel to prevent potential violations. Additionally, the Legal Department reviews major business decisions and cooperation agreements to ensure compliance. As of 2024, the company reported no lawsuits or penalties related to anti-competition, monopolistic behavior, or violations of antitrust laws, thereby safeguarding business ethics and maintaining market order.

3.5.3 Prohibition of Forced and Compulsory Labor

Walton Advanced Engineering upholds the core values of respect for human rights and labor dignity, and strictly prohibits any form of forced labor, bonded labor, restriction of personal freedom, contract bondage, involuntary work, or other exploitative practices. The company fully complies with the International Labor Organization (ILO) Conventions, the United Nations Universal Declaration of Human Rights, and the Responsible Business Alliance (RBA) Code of Conduct, incorporating the prevention of forced and compulsory labor into both internal management systems and supply chain codes of conduct.

Under internal human resources policies, in accordance with the Employee Recruitment and Employment Management Procedure, the company strictly prohibits the following practices during recruitment and employment:

Prohibition of Document Retention

All employees and migrant workers retain their own passports, identity cards, and other personal identification documents. The company is not permitted to hold or store these documents.

No Recruitment Fees

Employment agencies are strictly forbidden from charging job applicants (especially migrant workers) any recruitment fees, deposits, or other forms of financial burden.

Right to Free Resignation

Employees are entitled to resign voluntarily in accordance with applicable laws. The company must not impose forced contract extensions or apply undue pressure to retain workers.

Written Labor Contracts

All employment agreements must be signed with clear and transparent terms, including working hours, wages, benefits, and job descriptions. Contracts must be explained in the employee' s native language to ensure full understanding.

3.5.4 Non-Discrimination

Walton Advanced Engineering adheres to the principles of equal treatment and respect for diversity, and explicitly prohibits all forms of discrimination, including but not limited to gender, age, race, religion, nationality, marital status, disability, sexual orientation, political stance, or any other status protected by law. We are committed to creating a fair, respectful, and inclusive workplace where all employees can work with peace of mind, free from discrimination and harassment.

To achieve this, we have implemented the following measures:

- 1

Employee Regulations and Labor Policies – Established clear provisions in the Employee Work Rules and Labor Policy explicitly prohibiting discrimination and harassment.
- 2

Fair Recruitment System – Hiring standards are based solely on professional qualifications and competencies, ensuring equal treatment and preventing bias.
- 3

Internal Grievance Mechanisms – Employees are provided with anonymous reporting and complaint channels to address potential violations.
- 4

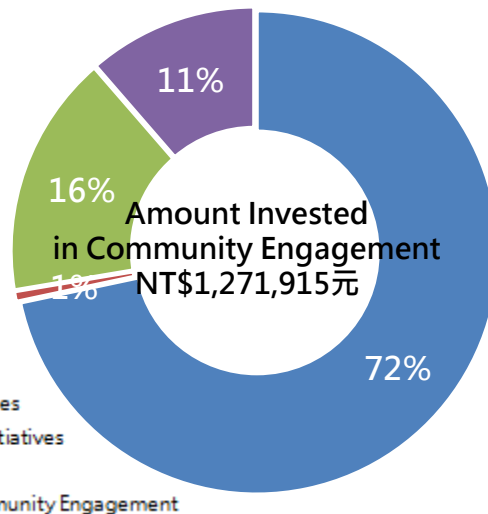
Education and Training – Regular training sessions on non-discrimination and gender equality are conducted for all employees.

Walton Advanced Engineering will continue to strengthen internal cultural awareness and system implementation, enhancing the sensitivity and practical capacity of managers and employees to uphold equality, diversity, and inclusion. We are committed to building a workplace that is zero-discrimination, zero-harassment, open, and inclusive, fulfilling our corporate social responsibility and long-term commitment to human rights protection.

3.6 Local Communities

3.6.1 Local Community Information

WALTON, guided by the principle of “taking from society and giving back to society,” firmly believes that corporate growth should go hand in hand with social well-being. The company actively practices sustainable management through diverse social engagement initiatives, responding to local needs, supporting vulnerable groups, and promoting equitable access to educational resources and environmental sustainability. In addition to donations made through the WALTON Business Group Charity Foundation, since December 2003, the company has allocated funds to establish Charity & Caring Club within the organization. By encouraging employees to participate in social welfare activities and contribute donations, the company matches these contributions to support initiatives focused on social investment and care for disadvantaged groups.



- Support for Educational Resources
- Environmental Sustainability Initiatives
- Support for Vulnerable Groups
- Employee Volunteering & Community Engagement

Item / Year	2022	2023	2024
Support for Educational Resources	835,787	841,618	911,547
Environmental Sustainability Initiatives	4,500	10,000	8,727
Support for Vulnerable Groups	1,060,000	807,322	207,000
Employee Volunteering & Community Engagement	209,66	92,900	144,641
Number of Sponsorships	27	28	29
Amount of Sponsorships	1,921,253	1,751,840	1,271,915

Note 1: 2022–2023 higher due to one-off donations (vehicle, air conditioning project to Eden Foundation).

Note 2: 2024 saw slight increases in education support and volunteering, with stronger employee participation in CSR.

Support for Educational Resources

- School meals for underprivileged students → better health & focus.
- Books and materials for rural schools → educational equity.
- Newspaper reading program → knowledge & literacy.
- Sponsorship for children → stable schooling & growth.

Environmental Sustainability Initiatives

- Beach Cleanup Activities: WALTON organizes employees and volunteers to participate in local cleanup efforts, protecting mountain and coastal ecosystems while promoting the concept of a low-carbon lifestyle.

Support for Vulnerable Groups

- Xinlu Foundation → training for disabled, social inclusion.
- Elephant Circle → support for street vendors' self-reliance.
- Love Delivered → daily needs, education, companionship.
- Walking Together → independence & integration for disabled.

Employee Volunteering & Community Engagement

- Child Welfare Center Family Gathering: Provides care and support for children through companionship, games, and meals, while encouraging employees to volunteer and deepen company involvement in social welfare.
- Blood Donation Campaign: Encourages employee participation in blood donation, fulfilling social welfare needs through concrete action.

Support for Educational Resources

Sponsoring underprivileged children at the Child Welfare Center has been the original core mission of WALTON's Cihui Club, providing long-term support for their living and educational expenses to ensure stable schooling and growth.

Nutrition support, such as breakfast and lunch, is not only essential for students' physical health but also critical for their ability to focus on learning. WALTON regularly sponsors school meals to help underprivileged students obtain balanced nutrition, enhancing both learning concentration and overall well-being. To supplement school budgets or support the development of specialized teaching tools or digital learning materials, the sponsorship programs have been expanded to provide textbooks and teaching resources to all supported primary and secondary schools in rural areas, promoting educational equity. For elementary school students, the early stage of education is crucial for developing future learning abilities. WALTON supports reading habit formation to foster children's diverse knowledge and media literacy skills.

Sponsorship of Children at the Child Welfare Center

Since 2004, WALTON has sponsored a total of 355 underprivileged children at the Child Welfare Center, with cumulative sponsorship funds reaching NT\$4,260,000 by the end of 2024. In 2024, 25 children were sponsored, with a total sponsorship amount of NT\$300,000. In addition, scholarships totaling NT\$43,000 were donated to the sponsored children.

Donation of Educational Materials and Books

In 2024, donations included library magazines for Xingren Junior High School, computer teaching tools for Zhenchang Elementary School, teaching aids for Mingzheng Elementary School, books for Tonglin and Daliao Elementary Schools in rural areas, laptops and teaching tools for Buxin Elementary School, and teaching aids for Beimen Elementary School. The total donation amount by the end of 2024 was NT\$214,972.

Nutrition Support for Breakfast and Lunch

In 2024, WALTON sponsored school meals in seven primary and secondary schools within the community (near the Qianzhen Technology Industrial Park), including Zhenchang, Ren'ai, Mingzheng Elementary Schools, and Xingren Junior High School in Kaohsiung, as well as Beimen Elementary School in Tainan, Buxin Elementary School in Chiayi County, and Tonglin Elementary School in Taichung. In addition, breakfast was sponsored at Gangdong Elementary School in Pingtung County. The total donation amount by the end of 2024 was NT\$158,845.

Student Newspaper Reading Program

In 2024, the Student Newspaper Reading Program sponsored 2,644 students across 69 classes in 10 elementary schools, including Ren'ai Elementary School in Kaohsiung, Beimen Elementary School and its Yuhu Branch in Tainan, Guangfu Elementary School in Tainan, Buxin and Guangrong Elementary Schools in Chiayi County, Zhongkeng and Tonglin Elementary Schools in Taichung, and Fugui and Changfu Elementary Schools in Nantou County. The total program expenditure was NT\$194,730.



Love Children's Happiness Festival



Accessible Living Festival



Beimen Elementary School donated laptops



Walking in step with the heart



Hualien-Taitung 220KM_Follow for love

Environmental Sustainability Initiatives

In response to the concept of environmental sustainability, WALTON organized a beach cleanup event at Cijin Beach on October 26, 2024, engaging employees to collectively protect the marine environment. By taking concrete actions to reduce coastal waste, the company not only demonstrates care for natural ecosystems but also deepens employees' awareness and participation in environmental protection and sustainable development. WALTON believes that while pursuing corporate growth, it is equally important to actively fulfill environmental and social responsibilities, working together to create a cleaner and better living environment for the future.

Support for Vulnerable Groups

In the practice of social engagement under the sustainability framework, WALTON collaborates with foundations to support the welfare of vulnerable groups through diverse initiatives, demonstrating corporate social responsibility:

- In partnership with the Xinlu Foundation, supporting employment and independent living training for people with intellectual disabilities, promoting social inclusion.
- Responding to the Elephant Circle Project, donating to initiatives that help street vendors achieve self-reliance, assisting them in rebuilding their lives and dignity.
- Participating in the "Love Delivered to Homes" program, providing daily necessities, educational materials, and psychological companionship.
- Through the "Walking Together" activity, offering guided walks and interactive participation to support people with physical and intellectual disabilities toward independent living, fostering a more inclusive society.

Employee Volunteering & Community Engagement

WALTON places great emphasis on employees' active participation in social engagement. In February 2024, the company, together with the Kaohsiung Export Processing Zone Tong'ai Association and the Qianzhen Technology Industrial Park Health Care Center (Kaohsiung Minsheng Hospital medical team), launched the "Passionate Support" blood donation campaign, encouraging employees to contribute. In July, WALTON co-organized another blood donation activity with Hwasin Technology, directly supporting medical resource replenishment and spreading care and hope. To support children's welfare, employees participated in the Child Welfare Center Family Gathering, providing companionship and interactive engagement to address the needs and growth of underprivileged children. Through hands-on involvement in charitable activities, employees not only strengthen their identification with WALTON's corporate mission but also enhance internal cohesion, further amplifying the company's positive impact on society. Each participation represents a concrete action in promoting sustainable values and an important step in co-creating a virtuous cycle between the company and its employees.



Qishan Family Reunion



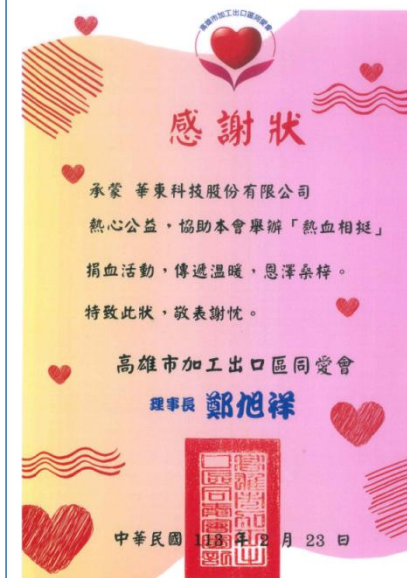
Nanjiafu Family Reunion



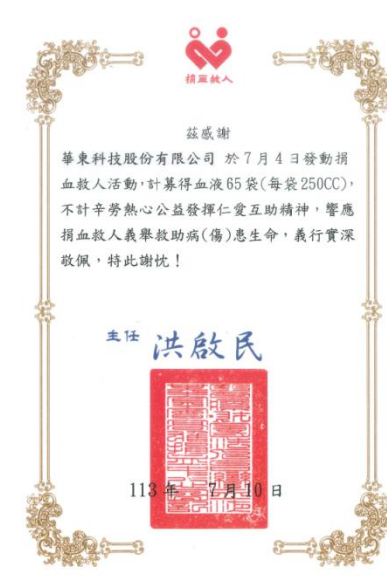
Letter of Appreciation for Walking Together on the Heart Path



Cijin Beach Cleanup



Blood donation certificate



Blood donation certificate

Appendix 1 - GRI Content Index

Statement of Use	Walton Advanced Engineering Co., Ltd. has reported the content in accordance with the GRI Standards for the period from January 1, 2024, to December 31, 2024.
GRI 1 used	GRI 1 : Foundation 2021
Applicable GRI Sector Standard(s):	1.From the published GRI Sector Standards (GRI 11–GRI 54), the company may select those applicable to its operations, such as GRI 11: Oil and Gas Sector 2021. 2.At present, no GRI Sector Standards specifically applicable to the semiconductor industry have been disclosed.

Topic	GRI Standard No.	Disclosure	Corresponding Section	Page	Remarks
GRI 2 General Disclosure 2021					
The Organization and Its Reporting Practices	2-1	Organizational details	1.1.1 Organizational Profile	16	
	2-2	Entities included in the organization's sustainability reporting	Report Disclosure Period and Scope	6	
	2-3	Reporting period, frequency and contact point	Reporting Frequency	7	
	2-4	Restatements of information	Reporting Frequency	7	
	2-5	External assurance	Reporting Frequency	7	
Activities and Workers	2-6	Activities, value chain and other Business Relationships	1.1.2 Organizational Activities and Value Chain	17	
	2-7	Employees	3.1.1 Employment Information	72	
	2-8	Workers who are not employees		-	No information yet; updates to follow.
Governance	2-9	Governance structure and composition	1.2 Corporate Governance	21	
	2-10	Nomination and selection of the highest governance body	1.2.1 Board of Directors	22	
	2-11	Chair of the highest governance body E	1.2.3 Board-Related Matters	24	
	2-12	Role of the highest governance body in overseeing the management of impacts	1.2.3 Board-Related Matters	24	
	2-13	Delegation of responsibility for managing impacts	1.2.6 ESG Sustainability Development Committee	30	
	2-14	Role of the highest governance body in sustainability reporting	1.2.6 ESG Sustainability Development Committee	30	
	2-15	Conflicts of interest	1.2.3 Board-Related Matters	24	
	2-16	Communication of critical concerns	1.2.3 Board-Related Matters	24	
	2-17	Collective knowledge of the highest governance body	1.2.1 Board of Directors	23	

Appendix 1 - GRI Content Index

Topic	GRI Standard No.	Disclosure	Corresponding Section	Page	Remarks
GRI 2 General Disclosure 2021					
Governance	2-18	Evaluation of the performance of the highest governance body	1.2.2 Board Performance Evaluation	24	
	2-19	Remuneration policies	1.2.3 Board-Related Matters	25	
	2-20	Process to determine remuneration	1.2.3 Board-Related Matters	25	
	2-21	Annual total compensation ratio	1.2.3 Board-Related Matters	25	
Strategy, Policies, and Practices	2-22	Statement on sustainable development strategy	Chairman Message/President Message	3、5	
	2-23	Policy commitments	1.2.5 Policy Commitment	29	
	2-24	Embedding policy commitments	1.2.5 Policy Commitment	29	
	2-25	Processes to remediate negative impacts	1.2.3 Board-Related Matters	-	No data available yet; no negative impacts identified in 2024.
	2-26	Mechanisms for seeking advice and raising concerns	1.2.3 Board-Related Matters	-	No information yet; updates to follow.
	2-27	Compliance with laws and regulations	1.2.7 Regulatory Compliance	31	
	2-28	Membership associations	1.1.4 Membership in External Organizations	18	
Stakeholder Engagement	2-29	Approach to stakeholder engagement	Stakeholder Communication	9-10	
	2-30	Collective bargaining agreements	1.2.8 Collective Bargaining Agreement	31	
Applicable GRI Sector Standard					Semiconductor GRI standards not yet released.
GRI 3 Material Topics 2021					
Material Topics	3-1	Process to determine material topics	Materiality Assessment Process	11	
	3-2	List of material topics	Materiality Assessment Process	11-13	

Appendix 1 - GRI Content Index

Topic	GRI Standard No.	Disclosure	Corresponding Section	Page	Remarks
Economic					
Productivity and Business Performance					
GRI 3	3-3	Management of material topics	1.3 Economic Performance	32	
GRI 201 Economic Performance 2016	201-1	Direct economic value generated and distributed	1.3.1 Direct Economic Value Generated and Distributed	33	
	201-2	Financial implications and other risks and opportunities due to climate change	2.1 Emissions 、 Appendix 3: Climate Chapter	55 、 109-112	
	201-3	Defined benefit plan obligations and other retirement plans	1.3.2 Employee Welfare Obligations and Retirement Plans	33	
	201-4	Financial assistance received from government	1.3.3 Government Financial Assistance	33	
Business Integrity and Corporate Governance					
GRI 3	3-3	Process to determine material topics	1.4 Supplier Management	43	
GRI 204 : Procurement Practices 2016	204-1	Proportion of Spending on Local Suppliers	1.4.1 Proportion of Procurement Spending from Local Suppliers	44	
GRI 414 : Supplier Social Assessment 2016	308-1 /414-1	New Suppliers that Were Screened Using Environmental Criteria	1.4.2 Screening New Suppliers Using Environmental and Social Standards	44	
GRI 308 : Supplier Environmental Assessment 2016	308-2 /414-2	Negative social impacts in the supply chain and actions taken	1.4.3 Negative Environmental and Social Impacts of the Supply Chain and Actions Taken	47	
Information Protection(Additional)					
Non-material topics		Non-material topics	1.5 Information Security Management System	48-49	

Appendix 1 - GRI Content Index

Topic	GRI Standard No.	Disclosure	Corresponding Section	Page	Remarks
Sustainable Environment					
Emissions					
GRI 3	3-3	Management of material topics	2.1 Emissions	55	
GRI 305 : Emissions 2016	305-1	Direct (Scope 1) GHG emissions	2.1.1 Carbon Emission Information	56	
	305-2	Energy indirect (Scope 2) GHG emissions	2.1.1 Carbon Emission Information	56	
	305-3	Other indirect (Scope 3) GHG emissions	2.1.1 Carbon Emission Information	57	
	305-4	GHG emissions intensity	2.1.1 Carbon Emission Information	57	
	305-5	Reduction of GHG emissions	2.1.1 Carbon Emission Information	57	
	305-6	Emissions of ozone-depleting substances (ODS)	2.1.1 Carbon Emission Information	57	Currently, no relevant information is available and will be added in the future.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2.1.1 Carbon Emission Information	57	
Energy					
GRI 302 Energy 2016	3-3	Management of material topics	2.2 Energy	58	
	302-1	Energy consumption within the organization	2.2.1 Energy-Related Information	59	
	302-2	Energy consumption outside of the organization	2.2.1 Energy-Related Information	-	Currently, no relevant information is available and will be added in the future.
	302-3	Energy intensity	2.2.1 Energy-Related Information	59	
	302-4	Reduction of energy consumption	2.2.1 Energy-Related Information	59	
	302-5	Reductions in energy requirements of products and services	2.2.1 Energy-Related Information	-	Currently, no relevant information is available and will be added in the future.

Appendix 1 - GRI Content Index

Sustainable Environment

Waste Management

GRI 3 Material Topics 2021	3-3	Management of material topics	2.3 Waste Management	61	
GRI 306 Waste 2020	306-1	Waste generation and significant waste-related impacts	2.3.1 Waste-Related Information	62	
	306-2	Management of significant waste-related impacts	2.3.1 Waste-Related Information	62	
	306-3	Waste generated	2.3.1 Waste-Related Information	62	
	306-4	Waste diverted from disposal	2.3.1 Waste-Related Information	62	
	306-5	Waste directed to disposal	2.3.1 Waste-Related Information	62	

Water and Effluents

GRI 3 Material Topics 2021	3-3	Management of material topics	2.4 Water and Effluents	64	
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	303-3	Water withdrawal	2.4.1 Water Resources Information	67	
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	401-3	Parental leave	3.1.1 Employment Information	74	
	Salary	It is required to disclose the number of full-time employees not holding managerial positions, the average and median salary of such full-time employees, and the differences in these three indicators compared with the previous year.	3.1.1 Employment Information	75	
GRI 402: Labor / Management Relations 2016	402-1	Minimum notice periods regarding operational changes	3.1.1 Employment Information	75	

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	404-3	Percentage of employees receiving regular performance and career development reviews	3.2.1 Education and Training Information	78	

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GRI 206: Anti-Competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.5.2 Anti-Corruption and Fair Competition	94	
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Non-material topics		Number of Donations and Donation Amount	3.6.1 Local Community Information	96	

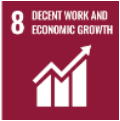
Appendix2 : SDGS(Sustainable Development Goals)

Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs), announced in 2015, outline 17 overarching goals and 169 sub-targets, serving as guiding principles for member states and global enterprises to achieve sustainable development by 2030.

Walton integrates the SDGs into its business strategies, expanding beyond the traditional focus on economic performance to also include environmental protection, compliance with regulations, enhancing employee benefits to retain top talent, eliminating workplace inequalities, reducing greenhouse gas emissions, and improving workplace conditions. Looking forward, Walton is committed to making greater contributions to the SDGs and fulfilling its corporate social responsibility.

SDGs	Detailed Goals	Walton Response
	1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.	1. Provide equal pay and comprehensive benefits to support employees' dignity and family well-being. 2. Adjust compensation based on company profitability to enhance employees' sense of belonging and loyalty.
	2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round. 2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.	1. Donate annually to provide school meals for underprivileged students, supporting healthy growth and equal education. 2. Participate in year-end care activities for the elderly, offering support and warmth as part of corporate social responsibility.
	3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.	Conduct regular health exams and annual specialized checks for employees in special environments to ensure workplace safety and occupational health.
	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.	1. Provide functional training programs tailored to different job roles, ensuring that every employee has the opportunity to receive occupational training. 2. Hire and integrate employees with disabilities and foreign workers, striving to create a diverse and inclusive workplace environment that guarantees equal employment opportunities for all.
	5.1 End all forms of discrimination against all women and girls everywhere. 5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.	Employment, performance evaluation, and promotion decisions are not based on gender. In addition, the company provides equal rights for all employees, regardless of gender, to apply for parental leave.

SDGs	Detailed Goals	Walton Response
	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	1.Promote water-saving measures and reclaimed water use to improve efficiency and reduce dependence on natural sources. 2.Enhance waste and wastewater treatment to ensure compliance, protect health and safety, and support water conservation and pollution prevention.
	7.3 By 2030, double the global rate of improvement in energy efficiency.	Install solar systems to increase self-generated renewable energy, and procure green electricity to expand clean energy use and achieve sustainable energy goals.
	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms. 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	1.Ensure fair employment and promotion regardless of gender, and hire people with disabilities and foreign workers to build a diverse, inclusive workplace. 2.Prohibit child labor and apply recruitment reviews to ensure all employees meet legal working age, protecting children' s rights and education. 3.Provide job adjustments for pregnant employees, reducing workload as required by law to protect their health and well-being.
	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	Continuously enhance R&D and process innovation, upgrading production equipment and digital systems to improve efficiency and quality, and to promote the sustainable development of the industry.
	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard. 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.	1.Value diversity and inclusion by offering equal opportunities, respecting different backgrounds, supporting disadvantaged groups, and promoting social inclusion. 2.Provide fair compensation, improve working conditions and welfare, and build a safe, respectful, and inclusive workplace that supports equality and well-being.
	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	Strengthen waste and wastewater treatment to ensure compliance, protect health and safety, and fulfill responsibility for water conservation and pollution prevention.
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Implement responsible procurement by assessing suppliers' ESG performance, prioritizing compliant and sustainable partners, and promoting a responsible supply chain.

SDGs	Detailed Goals	Walton Response
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	Completion of Carbon Inventory and Climate Risk Management Walton has completed its carbon inventory to comprehensively identify greenhouse gas emissions generated during its operations. The company has also established a dedicated climate risk management framework to strengthen decarbonization strategies and actions, advancing toward a low-carbon and sustainable business model.
	15.c Enhance global support for efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities.	Walton places great emphasis on biodiversity preservation. Through concrete actions, the company works to protect natural environments and native species habitats, thereby supporting ecological sustainability and the responsible use of land resources. The goal is to achieve harmonious coexistence with nature.
	16.5 Substantially reduce corruption and bribery in all their forms. 16.6 Develop effective, accountable and transparent institutions at all levels. 16.b Promote and enforce non-discriminatory laws and policies for sustainable development.	Upholding the principle of integrity in business operations, Walton has clearly defined anti-corruption and anti-bribery policies. These are reinforced through internal audits, employee training, and whistleblowing mechanisms to strengthen compliance awareness, ensure ethical governance, and safeguard both corporate integrity and social trust.
	17.13 Enhance global macroeconomic stability, including through policy coordination and policy coherence. 17.14 Enhance policy coherence for sustainable development. 17.15 Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development.	Walton actively collaborates with its customers to promote sustainable value chain management. From raw material sourcing and production processes to product delivery, the company works with partners to strengthen environmental protection, social responsibility, and governance practices, building supply chain relationships that are both competitive and sustainable.

Appendix 3 - Climate Chapter

Item	Content	Replication
1	Description of the Board and management's oversight and governance of climate-related risks and opportunities.	Walton requires departments to identify climate-related risks and opportunities based on current and future trends. These are discussed across functions to form company-wide strategies, reviewed annually by the Sustainability Development Committee, and reported to the Board for oversight and decision-making.
2	Description on how the identified climate risks and opportunities impact the company's business, strategies, and finance (short, mid, long-term).	Short-term (1–3 years), medium-term (3–5 years), and long-term (>5 years). Key risks include higher costs from carbon taxes, while opportunities include renewable energy adoption to lower costs and emissions.
3	Description of the financial impact of extreme climate events and transitional actions.	Climate change has led to extreme weather and uneven rainfall, creating potential water shortages that could disrupt operations, capacity, and delivery, resulting in revenue loss. In addition, upcoming regulations will impose carbon taxes, raising indirect costs. To address these risks, WAE is enhancing processes to cut greenhouse gas emissions by upgrading energy-saving equipment and implementing continuous efficiency projects. While new equipment increases capital spending, it will reduce future carbon fees.
4	Description on how the climate risk identification, assessment, and management process is integrated in the overall risk management system.	Each department conducts risk management within its respective operational areas, formulates relevant internal management methods and operating procedures, and incorporates climate change risks into the company's long-term operational risk management.
5	If scenario analysis is used to assess the Company's resilience in face of climate change risks, explanations on the scenario, parameters, assumptions, analysis factors and major financial impacts should be provided.	- Assess domestic regulatory risks based on the government's net-zero pathway. -The financial impact of paying carbon taxes/charges to comply with regulatory requirements.
6	Should there be transitional programs in response to managing climaterelated risks, please explain the program's content and metrics and targets used to identify and manage physical and transitional risk	Walton is actively promoting carbon neutrality to mitigate climate change, and is also actively pushing its factories to gradually achieve net zero emissions by 2050. It has also set climate-related goals, including reducing greenhouse gas emissions and increasing the proportion of renewable energy electricity year by year.

Appendix 3 - Climate Chapter

Item	Content	Replication															
7	Should the internal carbon pricing is used as the planning tool, the pricing mechanism should be explained	Walton has not yet established an internal carbon pricing mechanism. At present, the company complies with relevant government laws and regulations regarding carbon management and executes accordingly.															
8	If climate-related goals are set, information such as the activities covered, the scope of greenhouse gas emissions, the planned schedule, and the progress achieved each year shall be stated; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon reduction credits or the number of RECs offset shall be stated.	Activities related to climate goals Scope 1 : Replace oil with electricity and gradually replace diesel vehicles Scope 2 : Energy-saving measures for factories, replacement of high-energy-consuming factory equipment, installation of solar energy, and purchase of green energy (combination of electricity and certificate) Scope 3 : Increase waste recycling rates Unit:tCO₂e <table border="1"> <thead> <tr> <th>Kaohsiung Factory</th><th>2021(Base year)</th><th>2024</th></tr> </thead> <tbody> <tr> <td>Scope 1</td><td>2,831</td><td>3,935</td></tr> <tr> <td>Scope 2</td><td>99,810</td><td>78,041</td></tr> <tr> <td>Scope 3</td><td>115,934</td><td>18,405</td></tr> <tr> <td>Total</td><td>218,575</td><td>100,381</td></tr> </tbody> </table> Note 1: Walton obtained 1,379 Taiwan Renewable Energy Certificates (T-RECs) in 2024 through wind and solar power. Note 2: The scope of the greenhouse gas inventory covers the Kaohsiung plants, with relevant addresses as follows: B10-No. 18, N 1st. Road, Cianjhen District, Kaohsiung City (Floors 1–8), and No. 18-1, N 1. Road. B15-No. 28, N 1st. Road, Cianjhen District, Kaohsiung City (Floors 1–5). A15-No. 17, N 1st.Road, Cianjhen District, Kaohsiung City (partial areas of 1F and 4F).	Kaohsiung Factory	2021(Base year)	2024	Scope 1	2,831	3,935	Scope 2	99,810	78,041	Scope 3	115,934	18,405	Total	218,575	100,381
Kaohsiung Factory	2021(Base year)	2024															
Scope 1	2,831	3,935															
Scope 2	99,810	78,041															
Scope 3	115,934	18,405															
Total	218,575	100,381															

Appendix 3 - Climate Chapter

Item	Content	Replication			
9	Greenhouse gas inventory and assurance situation	1. The company's greenhouse gas inventory and confirmation status in the last two years			
		1.1 Greenhouse Gas Inventory Information			
		2024			
		Category	Company	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/million yuan)
		Scope 1	Walton	3,935	0.79
		Scope 2	Walton	78,041	15.58
		Scope 3	Walton	18,405	3.67
		2023			
		Category	Company	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/million yuan)
		Scope 1	Walton	520	0.97
		Scope 2	Walton	76,615	19.32
		Scope 3	Walton	17,080	4.56
		1.2 Greenhouse Gas Confirmation Information			
		2024			
		Category	Company	Confirmed Institutions	Description
		Scope 1	Walton	TÜV Rheinland Taiwan Ltd.	Among Walton’ s disclosed total greenhouse gas emissions, 3,935 metric tons of CO ₂ e (accounting for 3.92% of total emissions) were assured by an independent verification body in accordance with the ISO 14064-1:2018 standard, with a reasonable assurance opinion issued.
		Scope 2	Walton	TÜV Rheinland Taiwan Ltd.	Among Walton's disclosed total greenhouse gas emissions, 78,041 metric tons of CO ₂ e (accounting for 77.74% of total emissions) were assured by an independent verification body in accordance with the ISO 14064-1:2018 standard, providing reasonable assurance.
		Scope 3	Walton	TÜV Rheinland Taiwan Ltd.	Among Walton's disclosed total greenhouse gas emissions, 18,405 metric tons of CO ₂ e (accounting for 18.34% of total emissions) were assured by an independent verification body in accordance with the ISO 14064-1:2018 standard, providing reasonable assurance.

Appendix 3 - Climate Chapter

Item	Content	Replication			
9	Greenhouse gas inventory and assurance situation	2023			
		Category	Company	Confirmed Institutions	Description
		Scope 1	Walton	TÜV Rheinland Taiwan Ltd.	Among Walton's disclosed total greenhouse gas emissions, 520 metric tons of CO ₂ e (accounting for 0.55% of total emissions) were assured by an independent verification body in accordance with the ISO 14064-1:2018 standard, providing reasonable assurance.
		Scope 2	Walton	TÜV Rheinland Taiwan Ltd.	Among Walton's disclosed total greenhouse gas emissions, 76,615 metric tons of CO ₂ e (accounting for 81.32% of total emissions) were assured by an independent verification body in accordance with the ISO 14064-1:2018 standard, providing reasonable assurance.
		Scope 3	Walton	TÜV Rheinland Taiwan Ltd.	Among Walton's disclosed total greenhouse gas emissions, 17,080 metric tons of CO ₂ e (accounting for 18.13% of total emissions) were assured by an independent verification body in accordance with the ISO 14064-1:2018 standard, providing reasonable assurance.
		2. Greenhouse Gas Reduction Targets, Strategies, and Action Plans: Walton's primary Scope 1 and Scope 2 emission sources are diesel consumption and purchased electricity. The company's reduction strategy focuses on enhancing energy efficiency, replacing energy-saving equipment, installing solar power generation systems, and purchasing renewable energy. In 2024, the GHG emission intensity reduction rate (Scope 1 + Scope 2) reached 14% year-on-year, representing a 17% reduction compared to the base year (2021). Through the ESG Sustainability Committee, Walton integrates energy-saving and carbon-reduction initiatives across departments, executes reduction programs, and convenes regular meetings to review implementation progress, with the ultimate goal of achieving net-zero emissions by 2050.			

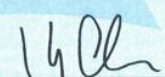
Appendix 4- TWSE Sustainability Index - Semiconductor Industry

Note	Indicator	Type	Annual Disclosure	Unit	Remark
1	Total energy consumption, percentage of purchased electricity, utilization rate of renewable energy	Quantitative	2.2 Energy	Gigajoule (GJ), percentage (%)	
2	Total water withdrawn, total water consumption	Quantitative	2.4 Water and Effluents	Thousand cubic meters (1,000m³)	
3	Total hazardous waste generated, and percentage recycled	Quantitative	2.3 Waste Management	Tonne (t), percentage (%)	
4	Types of, number of employees in and rate of occupational accidents	Quantitative	3.3 Occupational Health and Safety	Quantity, ratio (%)	
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled	Quantitative	2.3 Waste Management	Tonne (t), percentage (%)	
6	Description of the management of risks associated with the use of critical materials	Qualitative Discussion	1.4.1 Proportion of Procurement Spending from Local Suppliers	-	
7	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	3.5.2 Anti-Corruption and Fair Competition	Reporting Currency	
8	Production by product category	Quantitative	1.1.2 Organizational Activities and Value Chain	Varies by product type	

Appendix 5 - ISO14064-1 Declaration

ISO14064-1 Declaration

Walton began promoting the inventory and verification of Scope 1 and Scope 2 greenhouse gas emissions in 2012, and will add Scope 3 emissions inventory starting in 2022.

證書	
盤查標準	ISO 14064-1:2018
證書登記號碼	CF 50603129 2501
報告號碼	48272257 001
證書持有者:	華東科技股份有限公司 台灣 806011 高雄市前鎮區北一路 18 號
確證與查證場址:	所包括場址已列於證書附件上
確證與查證機構:	台灣德國萊因技術監證顧問股份有限公司
確證與查證標準:	ISO 14064-3:2019
基準年:	- 2021 (2021.01.01~2021.12.31)
確證與查證年度:	- 2024 (2024.01.01~2024.12.31)
方案:	- 自願性溫室氣體方案
查證保證等級:	- 合理保證
查證方法:	- 營運控制權法
實質性:	- 5%
溫室氣體種類:	- CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃
確證與查證範圍:	基於取得的資訊進行評估之結論: - 全球暖化潛勢(GWP): IPCC 2021, AR6 - 碳排放總量為 100380.993 噸二氧化碳當量(tCO ₂ e) - 類別一 直接排放為 3934.9522 噸二氧化碳當量(tCO ₂ e) - 類別二 間接 輸入能源排放為 78040.9078 噸二氧化碳當量(tCO ₂ e) - 類別三 間接 運輸排放為 847.9333 噸二氧化碳當量(tCO ₂ e) - 類別四 間接 組織使用產品排放為 17557.1995 噸二氧化碳當量(tCO ₂ e) - 類別五 間接 與使用組織產品有關排放為 未量化 - 類別六 間接 其他排放為 未量化 - 數據與資訊: - 歷史性資料: 類別一 / 類別二 - 歷史性資料及情境模型: 類別三 / 類別四 本證書僅對年度盤查的排放數據進行審查, 非對管理系統進行驗證
有效性:	
 2025-06-17 台灣德國萊因技術監證顧問股份有限公司 台灣 105 台北市八德路四段 758 號 11 樓	

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證書附件	
盤查標準	ISO 14064-1:2018
證書登記號碼	CF 50603129 2501
報告號碼	48272257 001
確證與查證場址:	- 高雄市前鎮區北一路 18 號、18 號 2、3、4、5、6、7、8 樓、18 之 1 號 (B10 廠) - 高雄市前鎮區北一路 28 號 1、2、3、4、5 樓 (B15 廠) - 高雄市前鎮區鎮北里北一路 17 號 (1 樓部分、4 樓部分) (A15 廠)
查證方法:	- 遠端稽核、人員訪談、確認操作行為與程序、所有權評估、資料與資訊積累過程、追蹤與取樣、管制與估計測試、生產與排放間的分析程序、數據驗算與文件審查
查證意見:	合理保證 - 經修改的意見 - 具充分且適當的證據支持實質性的排放量、移除量或儲存 - 對實質的排放量或儲存採取適當的準則 - 查證者欲依靠管制時, 其管制有效性已被評估 - 經修改的程序, 計算方法、數據、係數或文件, 對實質性、預期使用者對溫室氣體宣告的理解影響不重要 (修改的詳細項目請見查驗發現報告) 修改了: - 計算方法、數據、係數、文件

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